



TRANSMISSION CORPORATION OF TELANGANA LIMITED

ANNUAL STATEMENT OF ACCOUNTS FOR FY 2015-16

Electricity Saved is Electricity Generated



TRANSMISSION CORPORATION OF TELANGANA LIMITED

BOARD OF DIRECTORS

S.No.	Sarva Sri	Designation
1)	D. PRABHAKAR RAO	Chairman & Managing Director (FAC)
2)	AJAY MISRA, IAS	Director (Non-whole time)
3)	K.RAMA KRISHNA RAO, IAS	Director (Non-whole time)
4)	C. SRINIVASA RAO, IRAS	Joint Managing Director(Finance, Comml., & HRD)
5)	T. JAGATH REDDY	Director (Transmission)
6)	G. NARSING RAO	Director (Projects & Grid Opn.)
7)	J. SURYA PRAKASH	Director (Lift Irrigation Schemes)

Company Secretary : Sri. Ravi Kumar Suluva

Bankers : STATE BANK OF INDIA

AUDITORS:

Statutory Auditors : M/s. M. Anandam & Co., (000125S)
CHARTED ACCOUNTANTS
7 A, SURYA TOWERS, S.P.ROAD,
SECUNDERABAD,
HYDERABAD – 500 003.

Cost Auditors : CMA M.Madhavi Latha,
Flat No.528, Land Mark Apartment,
Raja Rajeshwari Nagar,
Behind Saket Towers, ECIL Post,
HYDERABAD – 500062.

Internal Auditors : M/s.Eswar & Co.,
Chartered Accountants
Flat No.103, Matha Residency,
Raghavendra Nagar, Nacharam,
HYDERABAD – 500 076.

Registered Office : 6-3-572, Vidyut Soudha,
Khairtabad, HYDERABAD
TELANGANA – 500 082.

Web site : www.tstransco.in

PAN No. : AAFCT0166J



Directors' Report

To
The Members,
Transmission Corporation of Telangana Limited (TSTRANSCO).

Your Directors have pleasure in presenting their 2nd Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

1. Financial summary or highlights / Performance of the Company:

Financial Performance of the Company:

The summarized financial Performance of the Company for the FY 2015-16 is as detailed below:

(Rs. in Crore)

Particulars	Current Year (FY 2015-16)	Previous Year (FY 2014-15) (from 29.05.14 to 31.03.15)
INCOME		
Revenue from Transmission & SLDC Charges	928.61	655.25
Other Income	80.83	47.98
TOTAL INCOME	1009.44	703.23
EXPENDITURE		
Repairs & Maintenance (Net)	112.38	71.15
Employees Cost (Net)	213.90	172.21
Administration & General Expenses (Net)	22.75	18.33
Depreciation (Net)	285.42	208.61
Interest and Finance Charges (Net)	234.96	152.28
Other Debits	0.75	11.07
Extra-Ordinary Items	-	-
TOTAL EXPENDITURE	870.16	633.65
PROFIT /(LOSS) BEFORE TAX	139.28	69.58
Provision for Income Tax less MAT Credit Entitlement	6.32	5.55
Deferred Tax	42.51	18.12
PROFIT/(LOSS) AFTER TAX	90.45	45.91

**Financial Highlights of the Company:**

The Company has commenced its operations with effect from 2nd June, 2014. The Transmission and SLDC Charges are collected as per the tariff notified by the APERC for the 3rd Multi Year Tariff (MYT) Control Period (FY 2014-15 to FY 2018-19) for the power sharing capacity of TS DISCOMs as against the total DISCOMs approved capacity for FY 2015-16 and other open access customers. During the Year, the Company has earned a net surplus of Rs. 90.45 crores.

2. Dividend:

The Board has decided to retain the Surplus amount to meet the counterpart funding amount @ 10% to 20% of various ongoing and future CAPEX programmes of the Company and therefore has not recommended any amount as dividend to its shareholders for FY 2015-16.

3. Transfer to Reserves:

During the year 2015-16, no amount has been transferred to general reserve.

4. Brief description of the Company's Operational Performance, Achievements and Planning for near future:**Operational Performance:**

<i>Voltage Level</i>	<i>Position as on 31-03-2015</i>	<i>Added during the FY 2015-2016</i>	<i>Total as on 31-03-2016</i>
<i>Sub-stations (Nos.)</i>			
<i>400 KV</i>	<i>6</i>	<i>1</i>	<i>7</i>
<i>220 KV</i>	<i>53</i>	<i>9</i>	<i>62</i>
<i>132 KV</i>	<i>181</i>	<i>8</i>	<i>189</i>
<i>Total EHTSS in Nos</i>	<i>240</i>	<i>18</i>	<i>258</i>
<i>EHT Lines (CKM)</i>			
<i>400 KV</i>	<i>2303</i>	<i>491</i>	<i>2794</i>
<i>220 KV</i>	<i>5581</i>	<i>254</i>	<i>5835</i>
<i>132 KV</i>	<i>9264</i>	<i>308</i>	<i>9572</i>
<i>Total EHT Lines (CKM)</i>	<i>17148</i>	<i>1053</i>	<i>18201</i>

Achievements:**Power supply position prior to formation:**

- 1 On the day of formation of the State of Telangana, there was a peak demand shortage of 2700 MW and 4-8 hours of load relief to domestic and other consumers and 2-day power holiday to Industries.



- 1 Due to the neglect of Telangana region in the erstwhile united Andhra Pradesh, lack of proper planning in forecasting the demand and non-scheduling of 1559 MW Power by Andhra Pradesh, Telangana State inherited huge deficit resulting in acute shortage of power.

Noteworthy achievements after formation:

- 1 After bifurcation of the State, Power Utilities have undertaken number of measures such as
 - - ₹ Reduction of T&D Losses from 16.83% to 15.89%.
 - ₹ Staggering of agriculture loads to 24 hours of the day.
 - ₹ Increase in generation by TSGENCO plants.
 - ₹ Entering into short term power purchase agreements.
 - ₹ Purchase from Exchange.
- 1 As a result of the above measures, there was substantial improvement in power supply position in the State. There was no load relief from 20-11-2014 onwards in the State to any category of consumer and quality power is being supplied to all the consumers.
- 1 9 hours 3 phase supply is extended to agricultural consumers.
- 1 Unlike in the past when the farmers were agitating for replacement of transformers resulting in loss of crops, after formation of the State, the transformers are replaced within 6 hours in the urban areas and 24 hours in the rural areas. The transformer failures are brought down to less than 10% from 30% and above with proper maintenance.
- 1 Further, to monitor interruptions on real time basis, Supervisory Control and Data Acquisition (SCADA) Centre is commissioned and integrated 121 sub-stations out of 228 DISCOM sub-stations in Hyderabad and the balance is proposed to be integrated within 6 months.
- 1 The two Distribution Companies of Telangana State (TS SPDCL & TS NPDCL) are catering to over 1.26 Crore Consumers including 20.45 Lakh Agriculture consumers.

Planning for near future:

- 1 All arrangements were made in place to provide farmers with “9 Hours, Day Time” Power Supply from April, 2016 onwards, as decided by Hon’ble Chief Minister.
- 1 The installed capacity as on 02-06-2014, i.e., on the day of formation of the State of Telangana, was 7778 MW. The capacity is proposed to be increased to 17000 MW during the next three years.
- 1 600 MW 2nd Stage of Bhupalapally (KTPP), 1200 MW Singareni Collieries Company Limited plant, 240 MW Jurala Project, and 90 MW Pulichintala Projects are in advanced stage of



completion. In addition, 1000 MW Chhattisgarh Power, 50 MW Kudamkulam Nuclear Power, and 180 MW Kudgi-I&II are proposed to be added. 2400 MW Solar Power and 100.80 MW Wind Power will be connected to the grid enabling the State to maintain satisfactory power supply.

- 1 In an endeavour to make the State Power Surplus, TSGENCO has already grounded projects for an aggregated Capacity of 5880MW.
- 1 The Transmission and Distribution system is proposed to be made ready to meet the peak demand of 10000 MW with an investment of around Rs. 12,136 crores.
- 1 Solar Power potential in the State is being harnessed in a big way. State Solar Policy is in place. Tenders were floated for 2000 MW Capacity addition and are under finalization.
- 1 The total investment in the Power Sector, i.e., Generation, Transmission, and Distribution, will be around Rs. 94,000 Crores.

5. Auditors:

Statutory Auditors:

TSTRANSCO, being a Government Company, the Statutory Auditors are appointed by the O/o C & AG of India. M/s MAnandam & Co., Chartered Accountants, Hyderabad, were appointed as the Statutory Auditors of the Company for the FY 2015-2016, vide Letter No. CA.V/COY/ANDHRA PRADESH,TECL(1)/737, dt. 22-07-2015.

Cost Auditors:

Mrs. M. Madhavi Latha, Cost Accountant, Hyderabad, was appointed as the Cost Auditor of the Company for the FY 2015-2016.

Internal Auditors:

M/s. Eswar & Co., Chartered Accountants, Hyderabad, were appointed as Internal Auditors during the FY 2015-2016 for the period from 01-06-2015 to 31-03-2016.

Secretarial Auditors:

Sri. MB Suneel, Practicing Company Secretary, Hyderabad, was appointed as Secretarial Auditor for the FY 2015-2016.

6. Auditors' Report:

M/s. MAnandam & Co., Statutory Auditors, gave their Report on 15-12-2017, which is attached herewith as Annexure - I, along with the Replies of the Management to the comments.

The O/o C & AG of India, furnished NIL comments, vide Report dated 28-03-2018, which is attached hereunder as Annexure - II.

7. Extract of Annual Return:

Pursuant to Section 92 (3) of the Companies (Amendment) Act 2017, an extract of Annual Return in Form MGT-9, is placed in the website of the company at www.tstransco.in



8. Conservation of energy, technology absorption and foreign exchange earnings and outgo:

Conservation of energy and technology absorption: There are no significant particulars relating to conservation of energy and technology absorption under the Companies (Accounts) Rules, 2014, as the Company is not involved in any manufacturing activity.

9. Foreign exchange earnings and Outgo:

NIL during the FY 2015-2016.

10. Material changes and commitments:

There are no material changes and commitments in the opinion of the Board, affecting the financial position of the company which occurred between the end of the financial year of the Company and this report.

11. Directors:

Directors and Key Managerial Personnel and changes among them during the FY 2015-16:

<i>Sl. No</i>	<i>Name</i>	<i>Designation/Position</i>	<i>From</i>	<i>To</i>
Chairman & Managing Director (CMD)				
1.	Sri D Prabhakar Rao (DIN:00676316)	CMD	25-10-2014	-
Joint Managing Director				
2.	Sri Srinivasa Rao, IRAS (DIN:00196179)	JMD (Finance, Comml & HRD)	23-06-2015	-
Whole-time Directors				
3.	Sri T Jagath Reddy (DIN:07050306)	Director (Transmission)	26-11-2014	-
4.	Sri G Narsing Rao (DIN:07050313)	Director (Projects & Grid Operation)	26-11-2014	-
5.	Sri J Surya Prakash (DIN:07274535)	Director (Lift Irrigation Schemes)	03-08-2015	-
Directors (Non-whole time)				
6.	Sri Arvind Kumar, IAS (DIN:03567738)	Director (Non-whole time)	30-01-2015	-
7.	Sri K. Ramakrishna Rao, IAS (DIN:05148824)	Director (Non-whole time)	16-04-2015	-
Company Secretary				
8.	Smt. G P R Hrudaya	Company Secretary	16-03-2015	-

**12. Number of meetings of the Board of Directors:**

During the financial year ended 31st March, 2016, seven Meetings of the Board of Directors were held on the following dates:

24th April, 2015, 30th May, 2015, 19th August, 2015, 3rd November, 2015, 9th December, 2015, 21st December, 2015 and 14th March, 2016

13. Audit Committee:

In compliance with the provisions of Section 177 of the Companies Act 2013, Audit Committee was duly constituted and following were the Members as on 31-03-2016 –

Sl. No.	Name	Position
1.	Sri D Prabhakar Rao, CMD	Member
2.	Sri Arvind Kumar, IAS Director (Non-whole time)	Member
3.	Sri T Jagath Reddy, Director (Transmission)	Member
4.	Sri C Srinivasa Rao, IRAS JMD (Fin., Comml., & HRD)	Special Invitee
5.	Sri G. Srinivas, FA & CCA & CFO	Special Invitee

The terms of reference of Audit Committee conform to the requirements of Section of Companies Act, 2013. As on 31.03.2016 there were no Independent Directors on the Board and hence the Audit Committee could not be constituted in accordance with the requirements of Companies Act, 2013. The Committee will be reconstituted suitably on appointment of Independent Directors on the Board.

14. Corporate Social Responsibility:

Consequent to the finalization of Annual Accounts for the first financial year ending 31st March, 2015, TSTRANSCO is required to adhere to the provisions of Section 135 of the Companies Act, 2013 and the Rules framed thereunder. Necessary steps are being initiated for constitution of Corporate Social Responsibility (CSR) Committee to formulate and recommend to the Board CSR Policy indicating therein activities to be undertaken as specified in Schedule VII, including amendments thereon.

15. Disclosure under the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013:

Adhering to the provisions of the Act, an “Internal Complaints Committee”, to prevent or deter the commission of acts of sexual harassment of Women Employees in TSTRANSCO, has been constituted. There were no complaints to the Committee during the FY 2015-16



16. Secretarial Audit Report:

In terms of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Secretarial Auditor has issued the Secretarial Audit Report for the FY 2015-2016 and the reply to the observation of the Secretarial Auditor is annexed to this Report (Annexure –III).

17. Particulars of Employees

Particulars of Employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – Nil.

18. Directors' Responsibility Statement:

In compliance with the provisions of Section 134 (5) of the Companies Act, 2013, it is confirmed that—

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgements

Your Directors express their gratitude to all the Stakeholders, Bankers, Regulatory Authorities, Government, Consumers, Suppliers, Officers and Staff for their continued support at all times and look forward to have the same in future endeavors. Directors are pleased to place on record their appreciation of the sincere and dedicated services of all the Employees at all levels.

For and on behalf of the Board of Directors

Place: Hyderabad.

Date: 23.05.2018

Sd/-

Chairman & Managing Director
TSTRANSCO



INDEPENDENT AUDITORS' REPORT

To

The Members of Transmission Corporation of Telangana Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Transmission Corporation of Telangana Limited (the Company), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Basis for Qualified Opinion

Section 53 of the Andhra Pradesh Re-Organisation Act, 2014 requires apportionment of the assets and liabilities of State Government Undertakings on the basis as specified therein. Accordingly, the assets and liabilities of Transmission Corporation of Andhra Pradesh Limited (APTRANSCO) (State Government Undertaking) as at the commencement of business hours on 2nd June, 2014, in the manner specified therein, between the States of Andhra Pradesh and Telangana. The manner in which the said apportionment has been assessed by the Company and recognised in the financial statements under report is as stated in Note 24 to the financial statements.

- a) The financial statements are prepared based on the assets and liabilities allocated to the Company pursuant to revised draft demerger plan which is subject to finalisation by respective Board of Directors of the Company and APTRANSCO and approval of respective State Governments. The impact on the accounts is not ascertained.
- b) Non-provisioning for gratuity, pension and leave encashment on actuarial basis as required under AS-15(Revised) on "Employee Benefits" issued by the Institute of Chartered Accountants of India. The impact on the accounts is not ascertained. (Note 21.1 and 21.2 to the financial statements)
- c) The balances shown under advances, trade receivables and trade payables are subject to confirmation and reconciliation and consequential adjustments, if any. The impact on the accounts is not ascertained (Note 26 to the financial statements)
- d) The disclosure requirements in respect of Non-Current Investments as required under Schedule III of the Companies Act, 2013 are not given. (Note 12 to the financial statements)
- e) Depreciation is not provided on the additions to the fixed assets during the year from the date in the year in which the asset becomes available for use. The impact on the accounts is not ascertained by the management. (Note 1.3 (i) to the financial statements)



- f) Adjustment entries required if any, have not been passed for the unidentified balances of assets and liabilities of Rs.416.57 Lakhs which are transferred by APTRANSCO on demerger pending review. The impact, if any on the accounts is not ascertained by the management. (Note 38 to the financial statements)
- g) Cash in Transit of Rs.11.29 Lakhs for which the details are not available with the Company (Note 16.1 to the financial statements)
- h) Classification of certain other Long term liabilities (Note 6 to the financial statements), Long term loans and advances (Note 13 to the financial statements) into current and non-current portion is not made as per Schedule III to the Companies Act, 2013.
- i) Material variations in values of certain assets and liabilities as adopted by the Company and as per the Revised draft demerger plan by APTRANSCO:**
- i) Investment in GVK Power & Infrastructure Limited and Andhra Pradesh Gas Power Corporation Limited is considered as geographical location wise asset to Andhra Pradesh by APTRANSCO whereas the Company opined that since it is headquarters asset and apportioned on population basis. The Expert Committee opined the apportionment of these investments may be made as per the proposed APIDC Demerger Plan. However, the Company stands with its view of allocation of these investments on population ratio basis. This has an impact of increase in assets by Rs.15.23 crores (Note 24 (xvii)(a) to the financial statements)
- ii) In respect of the differences between assets and liabilities apportioned to the Company, APTRANSCO has shown as demerger adjustment account (receivable from the Company), whereas the Company has taken the said difference including the material variations as stated above to "Reorganization Resultant Reserve". The Expert Committee stated that this issue can be sorted out keeping in view generally accepted accounting principles for balancing of the accounts in a Balance sheet. The Company has decided to continue the difference between the assets and liabilities (including equity) under "Reorganization Resultant Reserve" only.(Note 24 (xvii) (f) to the financial statements)
- iii) Vidyut Soudha Building: As per the Expert Committee, the book value and physical division of the headquarters building of APTRANSCO as it appears in the audited balance sheet as on 02.06.2014 has to be apportioned between the organizations on the basis of the population ratio as per the Andhra Pradesh Reorganisation Act. However, the Company is of the view that only the book value of Vidyut Soudha building has to be apportioned on population basis as mandated in Section 53 (1) (b) of the Andhra Pradesh Reorganisation Act, 2014. (Note 24 (xvii) (g) to the financial statements)
- iv) Corporate Training Institute Building: As per the Expert Committee, this facility must be apportioned on the basis of the clarification issued by Government of India, Home Ministry recently on the definition of "Headquarters" in terms of the Andhra Pradesh Reorganisation Act, 2014. However, the Company is of the view that the Corporate Training Institute Building



at Hyderabad is an independent unit and is to be allocated to the Company on location basis. (Note 24 (xv) (h) to the financial statements)

Emphasis of Matter

We draw attention to the following

- a) The Long term loans apportioned by APTRANSCO and availed from various Banks & Financial Institutions continue to be in the name of APTRANSCO. Debt service of such loans is met by the Company. Pending modification of charges created with Registrar of Companies, Hyderabad some of the assets allocated to the Company continue to be charged against the borrowings made by APTRANSCO. (Note 4.1 to the financial statements)
- b) The Company has recognised an amount of Rs. 447.72 crores towards Pass-through gains on variations in Transmission charges and SLDC charges of Rs.12.67 crores attributable to the current year under audit by way of reduction in revenue as per the "Tariff Order for FY 2017-18 and FY 2018-19 dated 01.05.2017 and Order dated 20.06.2017 on SLDC-Annual fee & Operating charges issued by Telangana State Electricity Regulatory Commission (TSERC), Hyderabad". As per the said orders, these amounts are subject to change based on final segregation of Assets and liabilities as per the AP Re-Organisation Act, 2014. (Note 19.2 to the financial statements)
- c) The Company has adjusted unidentified balances of various assets and liabilities (net) of Rs.48.91 crores allocated by APTRANSCO to Reorganisation Resultant Reserve. (Note 3.2 to the financial statements)
- d) We have relied on the details of Contingent liabilities as disclosed by the management in Note 28 to the financial statements.

Our opinion is not modified in respect of these matters.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, except for the matters disclosed in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) We are enclosing our report in terms of Section.143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the



information and explanations given to us, in the “Annexure-B” on the directions and sub-directions issued by the Comptroller and Audit General of India.

- 3) As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matters described in the Basis for Qualified Opinion paragraph above
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) Except for the effect of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Government of India; the provisions of sub-section (2) of section 164 of the Companies Act, 2013 are not applicable to the Company.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in the “Annexure – C”.
 - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of all pending litigations on its financial position in its financial statements. (Note 28 to the financial statements)
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M. Anandam & Co.,
Chartered Accountants
(Firm Regn. No. 000125S)

Sd/-
S.Venkateswarlu
Partner
Membership No.022790

Place: Hyderabad
Date: 15.12.2017



Annexure-A to the Auditor's Report

The Annexure referred to in our report to the members of the Company for the period ended on 31st March, 2016. We report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The management has not carried out physical verification of fixed assets during the period. As explained to us, the Company is in the process of designing a programme for physical verification of fixed assets having regard to the size of the Company and the nature of its business.

(c) According to the information and explanations given to us the land includes land apportioned to the Company pursuant to the Andhra Pradesh Reorganisation Act, 2014 along with lands acquired by the Company. It is informed by the management that the details of title deeds of immovable properties under compilation. In the absence of details and furnishing of the title deeds, we are unable to comment whether the title deeds of immovable properties are held in the name of the Company or not.
- ii) The inventories have been physically verified during the year by the management. The discrepancies noticed on such verification between the physical stocks and book records were not material.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a) to (c) of the Order is not applicable
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans, investments, guarantees and securities made.
- v) According to the information and explanations given to us, the Company has not accepted deposits from public, therefore clause (v) of the Companies (Auditor's Report) Order, 2015 is not applicable.
- vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
- vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including



provident fund, employees' state insurance, income-tax, sales-tax, value added tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and any other statutory dues as applicable with the appropriate authorities and there were no arrears of outstanding statutory dues as at 31.03.2016 for a period of more than six months from the date they became payable except property tax of Rs.68.14 Lakhs, Service Tax of Rs.1.73 Lakhs and TDS of Rs.2.44 Lakhs.

(b) According to the information and explanations given to us and records of the Company examined by us, there are no disputed statutory dues of income tax, sales tax, value added tax, wealth tax, service tax, customs duty, excise duty or cess as at 31st March, 2016 except for the following amounts:

Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which amount relates	Forum where dispute is pending
APVAT Act, 2005	Entry Tax	4006.95	2002-03 To 2006-07	Supreme Court of India and High Court of Judicature at Hyderabad

Attention is drawn to Note 28 (a) to the financial statements regarding disputed statutory liabilities pending as on 01.06.2014 and to be bifurcated between the Company and APTRANSCO.

- viii) The Company has not defaulted in repayment of dues to financial institutions, banks and Government except for the following amounts:

Particulars	Amount of default as at 31.3.2016 (in Rs.)	Period of default	Remarks, if any
Government of Telangana	24,32,10,781	October 2015 To March 2016	Repaid in March 2017.

- ix) The Company did not raise any money by way of initial public offer or further public offer during the year. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.



- xi) As per Notification No. GSR 463 (E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of the clause 3 (xi) of the Order are not applicable to the Company.
- xii) The Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

For M. Anandam & Co.,
Chartered Accountants
(Firm Regn. No. 000125S)

Sd/-

S.Venkateswarlu

Partner

Membership No.022790

Place: Hyderabad

Date: 15.12.2017



Annexure-B to the Auditor's Report:

Replies to the directions and Sub-Directions issued by the Comptroller and Audit General of India under Section 143(5) of the Companies Act, 2013.

Sl. No	Particulars	Auditors' Reply	Impact on Financial Statements
I	Direction		
1.	Whether the Company has clear title / leased deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title / lease deeds are not available.	According to the information and explanations given to us the land includes land apportioned to the Company pursuant to the Andhra Pradesh Reorganisation Act, 2014 along with lands acquired by the Company. It is informed by the management that the details of title deeds of immovable properties held by the Company are under compilation. In the absence of details and furnishing of the title deeds, we are unable to comment whether the Company has clear title to the land owned and the extent of non-availability of title/ lease deeds.	Nil
2.	Please report whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	As per the information and explanations given to us, the Company has given waiver of interest claim of Rs.3,90,58,385 to HMWSSB, Hyderabad. This amount comprises of i) Rs.2,87,53,771--- 50% of interest up to 31.10.2014. As per the Note to the Board for Ratification (Point No.4), HMWSSB has submitted representation to the Company that HMWSSB is an essential service organisation providing water supply at minimal cost as per the government policy though it is paying the monthly consumption charges of pumping stations under	Nil (Since being a waiver)



			<p>industrial category – 1) which the Company has agreed.</p> <p>ii)Rs.1,03,04,614 --- additional interest, interest on balance interest and interest on interest. As per Point No.10 of Board minutes dated 14.03.2016, Board has given waiver of this amount instead of adjustment towards water bills of TSTRANSCO since adjustment of water bills may take longer period of more than 10 years.</p>	
	3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	<p>a) According to information and explanations given to us, there are no cases of inventories lying with the third parties;</p> <p>b) The records of assets received as gift from Government or other authorities if any, apportioned to the Company under AP Re-Organisation Act, 2014 is yet to be handed over.</p>	Nil
II	Sub-directions			
	1.	Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case land of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided.	All the lands of Sub-Stations are protected with boundary walls and fencing. There is no encroachment of land of the Company and as per the information obtained from field units and there are no litigations and surplus of land and all the lands are put to use.	Nil
	2.	Whether the Company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards?	<p>a) The Company has an effective system of recovery of revenue as per the contractual terms.</p> <p>d) Revenue is properly accounted in the books of account as per applicable Accounting Standards.</p>	Nil
	3.	How much cost has been incurred on abandoned projects and out of this how much cost has been write off?	As per the information and explanations given to us, there are no abandoned projects during the year.	Nil



4.	How much transmission loss in excess of prescribed norms has been incurred during the year and whether the same been properly accounted for in the books of accounts?	Since the prescribed norm is 4.02% and the transmission loss for the year is 3.12%, there is no transmission loss in excess of prescribed norms.	Nil
5.	Whether the assets constructed and completed on behalf of other agencies and handed over to them has been properly accounted for in the financial statements.	Not Applicable.	Nil

For M. Anandam & Co.,
Chartered Accountants
(Firm Regn. No. 000125S)

Sd/-

S.Venkateswarlu

Partner

Membership No.022790

Place: Hyderabad

Date: 15.12.2017



Annexure – C to the Auditors’ Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Transmission Corporation of Telangana Limited (“the Company”) as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M. Anandam & Co.,
Chartered Accountants
(Firm Regn. No. 000125S)

Sd/-
S.Venkateswarlu
Partner
Membership No.022790

Place: Hyderabad
Date: 15.12.2017



Management's replies to the comments of the Statutory Auditors:

S.No.	Statutory Auditors comments	Management Replies
	Basis for Qualified Opinion	
	Section 53 of the Andhra Pradesh Re-Organisation Act, 2014 requires apportionment of the assets and liabilities of State Government Undertakings on the basis as specified therein. Accordingly, the assets and liabilities of Transmission Corporation of Andhra Pradesh Limited (APTRANSCO) (State Government Undertaking) as at the commencement of business hours on 2 nd June, 2014, in the manner specified therein, between the States of Andhra Pradesh and Telangana. The manner in which the said apportionment has been assessed by the Company and recognised in the financial statements under report is as stated in Note 24 to the financial statements.	Informative.
a)	The financial statements are prepared based on the assets and liabilities allocated to the Company pursuant to revised draft demerger plan which is subject to finalisation by respective Board of Directors of the Company and APTRANSCO and approval of respective State Governments. The impact on the accounts is not ascertained.	On finalization of demerger plan, necessary adjustments for the variations if any, will be considered in the books of accounts of the Company in the year in which the said plan is approved and notified. (Refer Note No. 24 (xvi) of "Notes to Financial Statements").
b)	Non-provisioning for gratuity, pension and leave encashment on actuarial basis as required under AS-15(Revised) on "Employee Benefits" issued by the Institute of Chartered Accountants of India. The impact on the accounts is not ascertained. (Note 21.1 and 21.2 to the financial statements)	Consequent to bifurcation of State of Andhra Pradesh, the employees working in the Telangana Region are working in the Company on geographical basis whereas the employees working in Head Quarters were allocated between two entities on provisional basis. Pending final allocation of employees, the Company has not taken up the actuarial valuation for FY 2015-16. However, the contribution towards Pension & Gratuity in respect of employees appointed prior to 01.02.1999 was provided @33.15% and Contribution towards Gratuity in



S.No.	Statutory Auditors comments	Management Replies
		<p>respect of the employees appointed after 01.02.1999 was provided @6.08%.</p> <p>Further, provision equivalent to one month's salary has been provided towards Earned Leave Encashment.</p> <p>(Refer Note No. 21.1 of "Notes to Financial Statements").</p>
c)	The balances shown under advances, trade receivables and trade payables are subject to confirmation and reconciliation and consequential adjustments, if any. The impact on the accounts is not ascertained (Note 26 to the financial statements)	<p>The Company is in the process of obtaining the confirmations.</p> <p>(Refer Note No. 26 of "Notes to Financial Statements").</p>
d)	The disclosure requirements in respect of Non-Current Investments as required under Schedule III of the Companies Act, 2013 are not given. (Note 12 to the financial statements)	<p>The Company has recognized the investments in Equity of GVK Power and Infrastructure Ltd., and Investment in Share Capital of APGPCL based on its claim that the said shares should be apportioned on population ratio @41.68%, as per the A.P.Re-Organisation Act, since these are headquarter assets.</p> <p>However, on finalization of demerger plan, necessary adjustments for the variations if any, will be considered in the books of accounts of the Company in the year in which the said plan is approved and notified.</p>
e)	Depreciation is not provided on the additions to the fixed assets during the year from the date in the year in which the asset becomes available for use. The impact on the accounts is not ascertained by the management. (Note 1.3 (i) to the financial statements)	<p>The depreciation has been provided on straight line method with rates notified by the Government of India through Gazette Notification from time to time were adopted/followed on the value of assets at the beginning of the year as per Electricity (Supply) Annual Accounts Rules, 1985 and in consonance with Section 129(1) and (1)(d) of the Companies Act,</p>



S.No.	Statutory Auditors comments	Management Replies
		<p>2013. The fact of following the methodology was also disclosed in the Notes to the Financial Statements. As per para-2.6 (3) of Basic Accounting Principles and Policies as per the Electricity (Supply) Annual Accounts Rules, 1985 <i>“Depreciation charge on a newly commissioned asset shall commence in the year immediately following year of commissioning”.</i></p> <p>As per the Schedule-II – Part B of the Companies Act, 2013 <i>“The useful life or residual value of any specific asset, as notified for accounting purposes by a Regulatory Authority constituted under an Act of Parliament or by the Central Government shall be applied in calculating the depreciation to be provided for such asset irrespective of the requirements of this Schedule”.</i></p> <p>Further, it is to submit that the business of the Company is under regulatory framework of State Electricity Regulatory Commission and as per the Tariff Order issued by the Hon’ble APERC the depreciation with the rates notified by the MoP was adopted for determination of the Tariffs.</p> <p>Since, the Company has provided the depreciation as per the methodology prescribed as per Electricity (Supply) Annual Accounts Rules, 1985, the Company has not charged the depreciation on the assets commissioned during the year.</p> <p>However, the same will be reviewed while finalization of Annual Accounts for FY 2016-17.</p>



S.No.	Statutory Auditors comments	Management Replies
f)	Adjustment entries required if any, have not been passed for the unidentified balances of assets and liabilities of Rs.416.57 Lakhs which are transferred by APTRANSCO on demerger pending review. The impact, if any on the accounts is not ascertained by the management. (Note 38 to the financial statements)	Informative. (Refer Note No. 38 of "Notes to Financial Statements").
g)	Cash in Transit of Rs.11.29 Lakhs for which the details are not available with the Company (Note 16.1 to the financial statements)	It is to inform that, an amount of Rs.11,29,118/- was allocated to the Company consequent to the demerger of composite APTRANSCO without furnishing any details. However, the same will be reviewed and necessary adjustment entries will be incorporated in FY 2016-17.
h)	Classification of certain other Long term liabilities (Note 6 to the financial statements), Long term loans and advances (Note 13 to the financial statements) into current and non-current portion is not made as per Schedule III to the Companies Act, 2013.	Since this is the first year of preparation of Annual Accounts as per Schedule III to the Companies Act, 2013 the information is under compilation.
i)	<p>Material variations in values of certain assets and liabilities as adopted by the Company and as per the Revised draft demerger plan by APTRANSCO:</p> <p>i. Investment in GVK Power & Infrastructure Limited and Andhra Pradesh Gas Power Corporation Limited is considered as geographical location wise asset to Andhra Pradesh by APTRANSCO whereas the Company opined that since it is headquarters asset and apportioned on population basis. The Expert Committee opined the apportionment of these investments may be made as per the proposed APIDC Demerger Plan. However, the Company stands with its view of allocation of these investments on population ratio basis. This has an impact of increase in assets by Rs.15.23 crores (Note 24 (xvii)(a) to the financial statements)</p> <p>ii. In respect of the differences between assets and liabilities apportioned to the Company,</p>	<p>On finalization of demerger plan, necessary adjustments for the variations if any, will be considered in the books of accounts of the Company in the year in which the said plan is approved and notified.</p> <p>(Refer Note No.24 (xvii) of "Notes to Financial Statements").</p>



S.No.	Statutory Auditors comments	Management Replies
	<p>APTRANSCO has shown as demerger adjustment account (receivable from the Company), whereas the Company has taken the said difference including the material variations as stated above to "Reorganization Resultant Reserve". The Expert Committee stated that this issue can be sorted out keeping in view generally accepted accounting principles for balancing of the accounts in a Balance sheet. The Company has decided to continue the difference between the assets and liabilities (including equity) under "Reorganization Resultant Reserve" only. (Note 24 (xvii) (f) to the financial statements).</p> <p>iii. Vidyut Soudha Building: As per the Expert Committee, the book value and physical division of the headquarters building of APTRANSCO as it appears in the audited balance sheet as on 02.06.2014 has to be apportioned between the organizations on the basis of the population ratio as per the Andhra Pradesh Reorganisation Act. However, the Company is of the view that only the book value of Vidyut Soudha building has to be apportioned on population basis as mandated in Section 53 (1) (b) of the Andhra Pradesh Reorganisation Act, 2014. (Note 24 (xvii) (g) to the financial statements)</p> <p>iv. Corporate Training Institute Building: As per the Expert Committee, this facility must be apportioned on the basis of the clarification issued by Government of India, Home Ministry recently on the definition of "Headquarters" in terms of the Andhra Pradesh Reorganisation Act, 2014. However, the Company is of the view that the Corporate Training Institute Building at Hyderabad is an independent unit and is to be allocated to the Company on location basis. (Note 24 (xv) (h) to the financial statements)</p>	
	Emphasis of Matter :	
	We draw attention to the following	
a)	The Long term loans apportioned by APTRANSCO and availed from various Banks & Financial	



S.No.	Statutory Auditors comments	Management Replies
	Institutions continue to be in the name of APTRANSCO. Debt service of such loans is met by the Company. Pending modification of charges created with Registrar of Companies, Hyderabad some of the assets allocated to the Company continue to be charged against the borrowings made by APTRANSCO. (Note 4.1 to the financial statements)	Informative.
b)	The Company has recognized an amount of Rs. 447.72 crores towards Pass-through gains on variations in Transmission charges and SLDC charges of Rs.12.67 crores attributable to the current year under audit by way of reduction in revenue as per the "Tariff Order for FY 2017-18 and FY 2018-19 dated 01.05.2017 and Order dated 20.06.2017 on SLDC-Annual fee & Operating charges issued by Telangana State Electricity Regulatory Commission (TSERC), Hyderabad". As per the said orders, these amounts are subject to change based on final segregation of Assets and liabilities as per the AP Re-Organisation Act, 2014. (Note 19.2 to the financial statements)	Informative.
c)	The Company has adjusted unidentified balances of various assets and liabilities (net) of Rs.48.91 crores allocated by APTRANSCO to Reorganisation Resultant Reserve. (Note 3.2 to the financial statements)	Informative.
d)	We have relied on the details of Contingent liabilities as disclosed by the management in Note 28 to the financial statements.	Informative.
	Our opinion is not modified in respect of these matters. Opinion: In our opinion and to the best our information and according to the explanations given to us, except for the matters disclosed in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 st March, 2016 and its profit and its cash flows for the year ended on that date.	Informative.

**ANNEXURE - II****COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF TRANSMISSION CORPORATION OF TELANGANA LIMITED FOR THE YEAR ENDED 31 MARCH 2016.**

The preparation of financial statements of Transmission Corporation of Telangana Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 15th December 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of Transmission Corporation of Telangana Limited for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors, Company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

For and on the behalf of
The Comptroller and Auditor General of India

Place : Hyderabad
Date : 28.03.2018

Sd/-
(AJAIB SINGH)
Principal Accountant General (Audit)



Management's replies to the comments of the C & AG Auditors:

S.No	C&AG Auditors comments	Management Replies
	-NIL-	-



ANNEXURE - III

Form No.MR-3

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members
Transmission Corporation of Telangana Limited
6-3-572, Vidyut Soudha, Khairtabad,
Hyderabad TG 500082 IN

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Transmission Corporation of Telangana Limited.**, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (**Not applicable to the Company during the audit period**);
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (**Not applicable to the Company during the audit period**);
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the Company during the audit period**);
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (**Not applicable to the Company during the audit period**);
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (**Not applicable to the Company during the audit period**);



- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the audit period);**
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the audit period);**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period);**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable to the Company during the audit period);**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period);** and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the audit period);**
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not applicable to the company during the audit period)**
- vi) Other specifically applicable laws to the company:
 - Electricity Act, 2003

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above save and except the following:

- a) The Company has not complied with the provisions of Section 149(1) of the Companies Act, 2013 pertaining to the appointment of at least one women director on the board of the company.
- b) The Company has not complied with the provisions of Section 149 (4) of the Companies Act, 2013 pertaining to the appointment of at least two Independent Directors on the board of the Company.
- c) The Company has not complied with the provisions of Section 203 of the Companies Act, 2013 pertaining to the appointment of Chief Financial Officer (CFO), Key Managerial Personal of the Company.
- d) The Company has not complied with the provisions of Section 177 of the Companies Act, 2013 pertaining to the Composition of the members of the Audit Committee of the company.
- e) The Company has not complied with the provisions of Section 178 of the Companies Act, 2013 pertaining to the Constitution of the Nomination and Remuneration Committee of the company.



- f) The company hadn't conducted the Annual General Meeting for the F.Y. 2014-15 within 9 months from the closure of the First Financial Year of the Company.
- g) As the financial statements of the company for the F.Y. 2014-15 were not adopted during the year under review we are unable to comment on the compliance of the provisions of Section 135 of the Companies Act, 2013 pertaining to the Corporate Social Responsibility.

We further report that:

- The Board of Directors of the Company is **not** duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Except as stated above the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions at the Board Meetings have been carried out with requisite majority as recorded in the Minutes of the meetings of the Board of Directors.

We further report that

- there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- there were no such specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs.

Place : Hyderabad
Date : 23.05.2018

Sd/-
M B Suneel
Practicing Company Secretary
M. No. : 31197
C.P. No : 14449



Reply to the observations of the Secretarial Auditor

S.No	observations of the Secretarial Auditor	Reply to the observations of the Secretarial Auditor
1.	The Company has not complied with the provisions of the Section 149(1) of the Companies Act, 2013 pertaining to the appointment of at least one women director on the Board of the Company	The Company is a State Government Company, the power to appoint Directors on the Board of the Company vests with the Government of Telangana. The Government was apprised of the requirements of appointment of the requisite Directors including women Director. On appointment of required Directors on the Board, requirements as applicable to the Company would be complied with.
2.	The Company has not complied with the provisions of section 149(4) of the Companies Act, 2013 pertaining to the appointment of at least two Independent Directors on the Board of the Company	
3.	The Company has not complied with the provisions of Section 203 of the Companies Act, 2013 pertaining to the appointment of Chief Financial Officer (CFO), Key Managerial personal of the Company	CFO was appointed on 18/04/2016
4	The Company has not complied with the provisions of Section 177 of the Companies Act, 2013 pertaining to the composition of the members of the Audit Committee of the Company.	Will be complied with after appointment of Independent Directors by the Government.
5	The Company has not complied with the provisions of Section 178 of the Companies Act, 2013 pertaining to the Constitution of the Nomination and Remuneration Committee of the Company	The Nomination and Remuneration Committee will be constituted.
6	The Company hadn't conducted the Annual General Meeting for the FY 2014-15 within 9 months from the closure of the First Financial year of the Company	Noted. AGM has been adjourned for want of audited accounts of the Company and the adjourned meeting was conducted on the 11.10.2017.
7	As the financial statements of the company for the F.Y. 2014-15 were not adopted during the year under review we are unable to comment on the compliance of the provisions of Section 135 of the Companies Act, 2013 pertaining to the Corporate Social Responsibility.	Noted.
8	The Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Except as stated above the changes in the composition of the Board of the Directors that took place during the period under review were carried out in compliance with the provisions of the Act.	Noted.

For and on behalf of the Board of Directors

Place: Hyderabad.

Date: 23.05.2018

Sd/-
Chairman & Managing Director
TSTRANS CO



(Amount in Rupees)

The accompanying notes form an integral part of the financial statements.

for and on behalf of the Board of
Transmission Corporation of Telangana Limited

Sd/- Sd/-
D.PRABHAKAR RAO C.SRINIVASA RAO
Chairman & Managing Director Joint Managing Director
(Finance, Comm., & HRD)

Sd/-
G.SRINIVAS
FA&CCA (A/cs) & CFO

Sd/-
A.S.VIJAY KUMAR
Company Secretary



TRANSMISSION CORPORATION OF TELANGANA LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in Rupees)

	Particulars	Note	Year Ended 31st March, 2016	Period Ended 31st March, 2015
I)	Revenue from operations	19	969 06 52 150	678 03 88 857
II)	Other income	20	40 37 81 776	25 19 46 394
III)	Total income (I+II)		1009 44 33 926	703 23 35 251
IV)	Expenses			
	Employee benefits expense	21	213 89 74 266	172 20 85 276
	Finance costs	22	234 96 73 314	152 28 01 904
	Depreciation and amortization expense	11	285 42 17 544	208 61 21 545
	Operation & other expenses (R&M, Adm. & General, Prior Period Items & Others)	23	135 88 09 207	100 54 98 889
	Total expenses		870 16 74 331	633 65 07 614
V)	Profit before exceptional and extra-ordinary items and tax (III-IV)		139 27 59 595	69 58 27 637
VI)	Exceptional items		-	-
VII)	Profit before extra-ordinary items and tax (V-VI)		139 27 59 595	69 58 27 637
VIII)	Extraordinary items		-	-
IX)	Profit before tax (VII-VIII)		139 27 59 595	69 58 27 637
X)	Tax expense			
	(1) Current tax (Net of MAT credit entitlement)		6 31 57 243	5 54 45 997
	(2) Deferred tax		42 50 82 753	18 12 35 768
XI)	Profit for the year (IX-X)		90 45 19 599	45 91 45 872
XII)	Earnings per share (Face Value of Rs.10/- each)	32		
	Basic & Diluted		18 090	9 183
	Significant Accounting Policies	1		

The accompanying notes form an integral part of the financial statements.

As per our report of even date
for M.Anandam & Co.,
Chartered Accountants

for and on behalf of the Board of
Transmission Corporation of Telangana Limited

Sd/-
S.VENKATESWARLU
Partner
M.No.022790

Sd/-
D.PRABHAKAR RAO
Chairman & Managing Director

Sd/-
C.SRINIVASA RAO
Joint Managing Director
(Finance, Comm., & HRD)

Place: HYDERABAD
Date : 15.12.2017

Sd/-
G.SRINIVAS
FA&CCA (A/cs) & CFO

Sd/-
A.S.VIJAY KUMAR
Company Secretary



Notes to the Financial Statements

Company Overview

Transmission Corporation of Telangana Limited (TS TRANSCO) was incorporated on 29th May, 2014 under the Companies Act, 2013 by the then Government of Andhra Pradesh with the principal objective of succeeding to the demerged undertaking of the power transmission business in the State of Telangana from the erstwhile Transmission Corporation of Andhra Pradesh Limited (APTRANSCO) pursuant to the provisions of The Andhra Pradesh Reorganisation Act, 2014 and with the objectives as set out in the Objects Clause of the Memorandum of Association of the Company.

Note -1 : SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of Accounting and Preparation of Financial Statements :

The Financial Statements are prepared on accrual basis of accounting under historical cost convention and in accordance with the Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 2013 including Accounting Standards notified thereunder. The Company is governed by the Electricity Act, 2003 and therefore the provisions of the said Act read with the rules made thereunder prevail wherever the same are inconsistent with the provisions of the Companies Act, 2013.

The financial statements have been prepared in accordance with the Schedule-III of the Companies Act, 2013 to the extent applicable, except for the directions of the Ministry of Power with regard to the computation of depreciation as stated in the Accounting Policy on Depreciation. The balances of various assets and liabilities taken over as at 2nd June, 2014 from APTRANSCO as per Section 53 of the Andhra Pradesh Reorganisation Act, 2014 applicable to the Corporations mentioned in the Schedule-IX of the Andhra Pradesh Reorganisation Act, 2014.

1.2. Use of estimates

The preparation of financial statements require estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the same are known/materialized.

1.3. Fixed Assets and Depreciation:

(i) Tangible Assets

The Fixed Assets have been stated at Cost of Acquisition (including freight, insurance, non-refundable duties, taxes and other incidental expenses incurred to bring the asset in present and condition) less Accumulated Depreciation.

In respect of Fixed Assets apportioned to the Company pursuant to the AP Reorganisation Act, 2014, cost represents the carrying amounts of such assets in the books of APTRANSCO, as at the end of office hours on 1st June, 2014.

Depreciation is provided on the Straight Line Method with the rates notified by Government of India through Gazette Notifications from time to time were adopted/followed on the value of assets at the beginning of the year as per the Electricity (Supply) (Annual Accounts) Rules, 1985 and in consonance with Section 129(1) and (1)(d) of the Companies Act, 2013.



(ii) Intangible Assets

Intangible Assets being computer software are stated at cost less accumulated amortization. These are amortized over a period (7 years) based on the expected future economic benefits from such assets.

(iii) Capital Work in Progress

Capital Work in Progress is shown at Cost. Expenditure of construction units during the period of construction is apportioned to all the projects of the respective construction units up to the date of completion of projects on the basis of works under execution. Certain expenditure of Corporate Office is allocated to the works cost of each construction unit at an uniform rate.

1.4. Impairment

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

An impairment loss is recognised in the Statement of Profit and Loss if the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price and value in use.

An impairment loss recognised on asset is reversed when the conditions warranting impairment provision no longer exists.

1.5. Inventories

The inventories are valued at lower of cost and net realizable value. The cost of inventories is determined on weighted average basis.

1.6. Investments

Investments are classified into current and long term investments. Current investments are stated at lower of cost and fair value. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

1.7. Recognition of Revenue and Expenditure

- a) Revenue from Transmission and State Load Despatch Centre (SLDC) charges is recognized on accrual basis as per the Tariff rates approved by the State Electricity Regulatory Commission.
- b) Revenue from Operations & Maintenance, Supervision charges and other services is accounted as per contractual terms.
- c) Interest income is recognized on a time proportion basis with applicable rate of interest except in case of staff loans where interest is recognized after recovery of principal.
- d) Dividend is recognized as income in the year in which the right to receive payment is established.
- e) Penalties, insurance claim, surcharge on late payment etc are accounted on receipt basis.
- f) Expenditure is accounted on accrual basis and provisions are made for all known losses and liabilities unless stated otherwise.

**1.8. Borrowing Cost:**

Borrowing cost directly attributable to the acquisition or construction of a qualifying capital asset is capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

1.9. Foreign Exchange Transactions:

Foreign exchange transactions are initially recorded at the rates of exchange prevailing as on the date of transaction. In respect of transactions that are revenue in nature, the difference in exchange rate arising as on the date of settlement of the transaction is recorded in the Statement of Profit and Loss. All monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the end of the year are restated at the closing rate and the difference in restatement (i.e., gain/loss on account of foreign exchange rate variation) are recognized in the Statement of Profit and Loss.

1.10. Employee Benefits

- a) **Short Term Employee Benefits:** Undiscounted value of short term employees benefits such as salaries, wages, short term compensated absence, ex-gratia, etc. are recognized as an expense in the period in which the employees render the service.
- b) **Defined Contribution Plan:** Contribution to defined contribution plans being Employee Provident Fund are recognized in the Statement of Profit and Loss during the period in which the employees render the services.
- c) **Defined Benefit Plans:** Liabilities in respect of defined benefit plans being Pension, Gratuity and Leave encashment are determined based on an actuarial valuation using the projected unit credit method. Actuarial gains or losses are recognized immediately in the Statement of Profit and Loss.
 - (i) **For employees appointed before 01.02.1999:**

The Company provides for Pension and Gratuity, a defined retirement benefit plan in respect of employees appointed before 01.02.1999. The Pension and Gratuity Plan provides a lump-sum payment to the vested employees on retirement, death, incapacitation or termination of employment with an amount based on the respective employee's salary and the tenure of employment with the Company. The Liability with regard to the Pension and Gratuity Plan is determined by actuarial valuation at each Balance Sheet date using the projected unit credit method. Accordingly, the Company contributes to the Company's Pension and Gratuity Trust.
 - (ii) **For employees appointed on/after 01.02.1999:**

The Company provides for gratuity, a defined retirement benefit plan in respect of employees appointed on or after 01.02.1999. The Gratuity Plan provides a lump-sum payment to the vested employees on retirement, death, incapacitation or termination of employment, with an amount based on the respective employee's salary and the tenure of employment with the Company. The liability with regard to the Gratuity Plan is determined by actuarial valuation at each Balance Sheet date using the projected unit credit method. Accordingly, the Company contributes to the Company's Gratuity Trust.



(iii) **Earned Leave Encashment:**

The employees of the Company are entitled to Earned leave which are both accumulating and non-accumulating in nature. The expected cost of accumulating earned leave is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the Balance Sheet date.

The Trustees of the respective trusts will administer the contributions made to the Trusts towards the above plans and contributions are invested as per the investments specified by the Govt. of India. The Company recognizes the net obligation to the 'Pension & Gratuity Plan', 'Gratuity Plan' and 'Earned Leave Encashment' in the Balance Sheet as an asset or liability respectively in accordance with Accounting Standard 15 (Revised) - 'Employee Benefits'. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss for the period in which they arise.

1.11. Contributions towards Fixed Assets

Contributions received from the State Government and other authorities towards capital expenditure are taken to "Consumer's Contribution Account" from "Deposit Contribution Works Account" upon satisfaction of conditions attached to the Contributions. Subsequently, the same is being taken to Statement of Profit and Loss in the proportion of depreciation charged on the assets acquired/constructed out of the amount of deposit contributions.

1.12. Earnings per Share:

Basic Earnings per share is calculated by dividing the net profit after tax with the total number of shares outstanding during the period. For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.13. Taxes on Income:

- a) **Income Tax :** The current charge for income tax is calculated in accordance with the provisions of the Income Tax Act, 1961.
- b) **Deferred Tax:** Deferred tax is recognized subject to the consideration of prudence on all temporary differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

1.14. Prior Period Items:

Adjustments arising during the year due to errors or omissions in the Financial Statements of earlier years are accounted under Prior Period Items.

1.15. Provisions and Contingencies

The Company recognizes provisions when there is a present obligation, as a result of past events that probably requires an out flow of economic benefits to settle the obligation and a reliable estimate can be made for the amount of such obligation. The disclosure is made for all present or possible obligations that may, but probably will not, require outflow as Contingent liability in the Financial Statements. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

1.16. Cash Flow Statement

Cash Flow Statement is prepared in accordance with the Indirect Method prescribed under Accounting Standard (AS)-3 : Cash Flow Statement.



TRANSMISSION CORPORATION OF TELANGANA LIMITED

Notes to the Financial Statements

Note: 2 - SHARE CAPITAL

(Amount in Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Authorised Capital		
150,00,00,000 No. of Equity Shares of Rs.10/- each (Previous Year : 150,00,00,000 No. of Equity Shares of Rs.10/- each)	1500 00 00 000	1500 00 00 000
Subscribed, Issued and Paid up Capital		
50,000 Equity shares of Rs.10/- each fully paid. (Previous Year : 50,000 Equity shares of Rs.10/- each fully paid)	5 00 000	5 00 000
Total	5 00 000	5 00 000

2.1 Details of shareholders holding more than 5% shares

Name of the shareholder	As at 31.03.2016	
	% Shareholding	Number of shares
Government of Telangana (Vide G.O.Ms. No.26(Energy, Dt.29.05.2014)	100	50,000
Name of the shareholder	As at 31.03.2015	
	% Shareholding	Number of shares
Government of Telangana (Vide G.O.Ms. No.26(Energy, Dt.29.05.2014)	100	50,000

2.2 Terms/rights attached to Equity Shares

The Company has only one class of equity shares having face value of Rs.10 each. Entire equity shares are held by Government of Telangana. The Company declares and pays dividends in Indian Rupees.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.3.Reconciliation of shares outstanding at the beginning and at the ending of the year

Particulars	As at 31.03.2016	As at 31.03.2015
No. of shares at the beginning of the year	50,000	-
Add: Shares issued during the year	-	50,000
No. of shares at the end of the year	50,000	50,000



TRANSMISSION CORPORATION OF TELANGANA LIMITED

(Amount in Rupees)

Note: 3 - RESERVES AND SURPLUS

Particulars	As at 31.03.2016	As at 31.03.2015
(i) CAPITAL RESERVE		
Opening Balance	4 59 59 192	4 63 85 297
Add: Additions during the Year	-	-
Less: Deductions during the Year	-	(4 26 105)
Closing Balance	4 59 59 192	4 59 59 192
(ii) RESTRUCTURING RESERVE		
Opening Balance	138 85 63 060	138 85 63 060
Add: Additions during the Year	-	-
Less: Deductions during the Year	-	-
Closing Balance	138 85 63 060	138 85 63 060
(iii) CONTINGENCY RESERVE (Note - 3.1)		
Opening Balance	32 61 50 527	30 42 58 970
Add: Transfer from Surplus in Profit & Loss Account	3 03 37 237	2 18 91 557
Less: Deductions during the Year	-	-
Closing Balance	35 64 87 764	32 61 50 527
(iv) REORGANISATION RESULTANT RESERVE (Note- 3.2)		
Opening Balance	788 05 78 581	950 58 93 361
Add: Adjustments (Net) during the Year	(7 51 33 893)	(162 53 14 780)
Closing Balance	780 54 44 688	788 05 78 581
(v) SURPLUS IN PROFIT AND LOSS ACCOUNT		
Opening Balance	43 72 54 315	-
Add: Additions during the Year	90 45 19 599	45 91 45 872
Less: Transfer to Contingency Reserve	(3 03 37 237)	(2 18 91 557)
Closing Balance	131 14 36 677	43 72 54 315
Grand Total	1090 78 91 381	1007 85 05 675

3.1 As per para IV (1) of the Sixth Schedule of Electricity Supply Act 1948, the licensee shall appropriate to Contingency Reserve from the revenues of each year a sum not less than 1/4th of 1% (one) of gross block of fixed assets. As directed by State Regulatory Commission through tariff orders from time to time, the funds relating to Contingency Reserve were invested in various Securities/Bonds etc. from time to time by APTRANSCO. The funds are not at the disposal of the Company and as such the interest earned has also being credited (net of tax) to Contingency Reserve Account. As per the revised demerger plan proposed by APTRANSCO, the investments made against Contingency Reserve by APTRANSCO as on 2nd June, 2014 were bifurcated between APTRANSCO and the Company. Pending finalization of demerger plan, the entire investments are in the name of APTRANSCO. However, the interest portion pertaining to investments allocated to the Company has been accounted and transferred to Contingency Reserve Account (net of tax).

3.2. Consequent to demerger of APTRANSCO pursuant to A.P.Reorganisation Act, 2014, the Company has taken the difference between assets and liabilities apportioned to the Company (including equity allocated) to "Reorganisation Resultant Reserve". Further, certain adjustments are made for the unidentified balances of Rs.48,91,20,620 allocated by APTRANSCO, depreciation of Rs.1,13,81,544 pertaining to period prior to the formation of the Company and entries incorporated for Rs.55,28,72,969 as per the views of Expert Committee.

Note: 4 - LONG TERM BORROWINGS

(Amount in Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Term loans - Secured		
- From Banks	247 34 48 530	277 19 12 751
- From Others		
Financial Institutions	2634 82 23 487	1782 85 25 323
Term loans - Unsecured		
- From Banks	-	-
- From Others		
Government of Telangana	638 91 33 443	664 36 39 697
Total	3521 08 05 460	2724 40 77 771

4.1. The long term loans apportioned by APTRANSCO and availed from various Banks/FIs are continue to be in the name of APTRANSCO. Some of the assets continue to be charged to the Banks/Financial Institutions against Secured Loans sanctioned in the name of APTRANSCO, pending completion of documentation for release/modification of such charge

4.2. At the date of this balance sheet, some of the assets of APTRANSCO continue to be under charge to the Banks and Financial Institutions against the above loans pending completion of documentation for release/modification such charges.



4.3.Secured Loan from Commercial Banks/Financial Institutions is secured against hypothecation/mortgage on upcoming assets of various sub stations along with associated lines for which the term loan was sanctioned. Details of securities given against each loan are as tabulated below:

Name of the Bank/Financial institution	Rate of Interest	Balance Outstanding as on 31.3.2016 (Rs.)	Type (Monthly/Quarterly/Half Yearly)	No. of instalments remaining	Instalment Amount (Rs.)	Project Covered	Security Against Loan
NABARD TL-1	10.75%		Quarterly	44	52 03 061	Erection of 132/53 kv ss features at 220kv Switching station Dindi Miyapur Bonguloor n Rangareddy Dist.	A) Exclusive first charge by way of hypothecation of specified fixed assets of the project created out of the term loan
NABARD TL-2	10.75%	77 42 15 738	Quarterly	48	1 06 51 470	Erection of 132/33 kv SS at Yeldurthy in Medak Yeddumalaram, Nizamsegar Barswada CC/SC 2 Nos.132 kv Bays & Erection of 2nd circuit on existing 132kv Minpur	A) Exclusive first charge by way of hypothecation of specified fixed assets of the project created out of the term loan
Federal Bank	10.75%	1 97 51 596	Monthly	28	6 97 402	Erection of 132/33 KV SS at Chennai,Manubda Kohapada with connected lines	A)Hypothecation of fixed assets to be created at specified projects/Schemes B)Exclusive first charge on identified receivables to the extent of 1.2 coverage of monthly instalment of term loan
Syndicate Bank TL-1	10.00%		Quarterly	23	13 83 646	Erection of 220/132/33kv SS Raidurg & 220/132/33KVSS Manikonda ,Borapalla ,Erragadda Circuit-I along with connected lines & Enhancement of Power Transformer capacities at 220KV Shadnagar SS.	A) Exclusive first charge by way of hypothecation of specified fixed assets of the project created out of the term loan
Syndicate Bank TL-2	10.00%	9 51 16 752	Monthly	86	7 27 366	Erection at 220kv Shadnagar& 132/33 KV SS at Mamidipally talwa chinnal along with connected lines, etc.,	A) Exclusive first charge by way of hypothecation of specified fixed assets of the project created out of the term loan B)First and exclusive charge on identified receivables to the extent of 1.2 times coverage of monthly instalment of term loan
Karur Vysya Bank TL-1	11.00%		Monthly	36	27 04 584	Procurement of SS & line material under renovation & modernization for 2009-2010	A)Exclusive first charge by way of hypothecation of specified fixed assets of the project B)Exclusive first charge on identified receivables to the extent of 1.2 times of monthly instalments of the loan
Karur Vysya Bank TL-2	11.00%	20 26 18 034	Monthly	67	15 70 442	Erection of 132/33 KVSS at Bikarur,Gangaram,Singuru,Disinderla,Midgl Reddipet & Peddashedanampet	A)Exclusive first charge by way of hypothecation of specified fixed assets of the project B)Exclusive first charge on identified receivables to the extent of 1.2 times of monthly instalments of the loan
Bank of Baroda TL-1	11.15%		Monthly	12	54 97 042	Erection of 220/132 kv SS adjacent to privadarshini Juraa Hydro Electric Project	A)Exclusive first charge by way of hypothecation of specified fixed assets of the project B)Exclusive first charge on identified receivables to the extent of 1.2 times of monthly instalments of the loan
Bank of Baroda TL-2	11.00%	83 46 29 817	Monthly	48	98 55 386	Augmentation of 315 MVA, 400/220KV 8Power Transformer capacity from 1x100MVA to 2X 00MVA at 220/132KV SS	A)Exclusive first charge by way of hypothecation of specified fixed assets of the project B)Exclusive first charge on identified receivables to the extent of 1.2 times of monthly instalments of the loan
Bank of Baroda TL-3	11.15%		Monthly	52	51 23 656	Erection of 132/33 kv SS & Enhancement of power transformer capacities in Adilabad	A)Exclusive first charge by way of hypothecation of specified fixed assets of the project B) Exclusive first charge on identified receivables to the extent of 1.2 times of monthly instalments of the loan
Oriental Bank of Commerce	11.00%	39 93 77 735	Monthly	89	44 81 139	Enhancement of Power Transformer capacities at 132kv Kondamalapally SS in Nagole, Malkaram SS& Construction of Zonal office Building for CETL&SSMetro Zone Hyd& Erection of 132/33 KV SS at Raikal,Shaligauraram SS to Atipamula SS, etc	Exclusive first charge or fixed assets of the company to be created out of term loan i.e 200crs However the corporation will further charge unencumbered fixed assets worth Rs.50 Crs making over all security coverage 1.25
Punjab & Sind Bank TL-1	10.25%		Monthly	35	17 17 618	Erection of 220/132KV at sadasivapeta along with connected lines	A)Exclusive first charge by way of hypothecation of specified fixed assets of the project B)Exclusive first charge on identified receivables to the extent of 1.2 times of monthly instalments of the loan
Punjab & Sind Bank TL-2	10.75%	17 98 89 847	Monthly	41	32 73 343	Implementation of ERP software&Erection of 132/33 SS at chiyala,Peddaganam,Mukanoor, Karimnagar Gunipalli along with connected lines	A)Exclusive first charge by way of hypothecation of specified fixed assets of the project B)Exclusive first charge on identified receivables to the extent of 1.2 times of monthly instalments of the loan



4.3. Secured Loan from Commercial Banks/Financial Institutions is secured against hypothecation/mortgage on upcoming assets of various sub stations along with associated lines for which the term loan was sanctioned. Details of securities given against each loan are as tabulated below:

Name of the Bank/Financial institution	Rate of Interest	Balance Outstanding as on 31.3.2016 (Rs.)	Type (Monthly/Quarterly/Half Yearly)	No. of instalments remaining	Instalment Amount (Rs.)	Project Covered	Security Against Loan
Allahabad Bank	11.15%	8 00 43 087	Monthly	49	16 33 532	Providing 132Kv & 33 features at existing 220Kv at various Substations & Erection of 132/33 kv at Narsanapet along with connected lines	A) Exclusive first charge by way of hypothecation of specified fixed assets of the project B) Exclusive first charge on identified receivables to the extent of 1.2 times of monthly instalments of the loan
ICICI Bank	11.15%	10 27 54 003	Monthly	56	18 42 445	Augmentation of power transformer in existing EHTSS & 315 MVA 400/220KV auto transformer capacity at Manjipally	A) Hypothecation of assets of the project to the extent of 1.33 times of the loan amount. B) Providing default Escro Account The receivables from NPDC i.e 1.2 of monthly instalment.
Karnataka Bank Limited	11.15%	9 65 04 536	Monthly	40	24 12 613	Erection of 132/33 kv at Amarachinta, Jachcherla Khanpur Thallada, Alipamula Manthani Fab city in Ranga Reddy Dist, etc	A) Exclusive first charge on identified receivables to the extent of 1.2 times of monthly instalments of the loan B) Exclusive first charge by way of hypothecation of specified fixed assets of the project
Corporation Bank	11.25%	3 69 28 919	Monthly	40	9 23 223	Erection of 132/33 Kv SS & 220/132 SS at Tunkibolarama along with connected lines	A) Exclusive first charge on the specified fixed assets of the project acquired out of the term loan B) Exclusive first charge on identified receivables to the extent of 1.2 times of the monthly instalment of the term loan
Union Bank of India	11.15%	3 83 11 085	Monthly	48	7 98 147	Erection of interlinking lines to the proposed 400/220 KVSS at ogalapur	A) Exclusive first charge on the specified fixed assets of the project acquired out of the term loan B) Exclusive first charge on identified receivables
UCO Bank	10.95%	52 13 26 480	Monthly	75	69 50 963	Erection of 132/33 kv at Amarachinta, Jachcherla Khanpur Thallada, Alipamula Manthani Fab city in Ranga Reddy Dist, etc	Exclusive first charge on the assets created out of the bank finance & promoters margin for the proposed capital expenditure of Rs. 700.50 Crs.
South Indian Bank	11.50%	19 94 09 315	Monthly	91	21 82 117	Slidc-upgradation of the existing SCADA/EMS system Procurement of 10 Nos. & 30 Nos. GPS instruments & erection of Additional 10/16 MVA PTRs at 132 KV SS at Bollaram Jangareddygudam & Augmentation of Power Transformer capacities in various districts of Telangana etc.,	A) Exclusive first charge by way of hypothecation of specified fixed assets of the project created out of the term loan
Tamilnadu Mercantile Bank TL-1	10.90%	7 90 99 010	Monthly	104	3 21 130	Augmentation of PTR capacity in sangareddy circle & Erection of 132/33 Kv in Palakurthy,	Exclusive first charge by way of hypothecation of specified fixed assets of the project created out of the term loan
Tamilnadu Mercantile Bank TL-2	10.90%		Monthly	100	4 39 437	Kathlapur, Ramapuram in Nalgonda Dist, etc	Exclusive first charge by way of hypothecation of specified fixed assets of the project created out of the term loan
Dena Bank	11.00%	28 42 62 028	Monthly	119	23 93 096	Erection of 132/33 KV SS at Yerrabelli (M) & ERP Maintenance & Supply, Erection, Testing & Commissioning of new capacitor banks & Renovation & Modernisation Scheme during 2013-14., etc	Hypothecation of future projects raised out of sanctioned term loans.
Total		391 42 37 982					



4.4. Loans from Power Finance Corporation is secured against hypothecation/mortgage on upcoming assets of various sub stations along with associated lines for which the term loan was sanctioned. Details of securities given against each loan are as tabulated below:

Loan No.	Rate of Interest	Balance Outstanding as on 31.3.2016 (Rs.)	Type (Monthly / Quarterly / Half Yearly)	No. of instalments remaining	Instalment Amount (Rs.)	Project Covered	Security Against Loan
31403063	11.35%	54 57 56 789	Quarterly	8	6 81 65 635	Modified Dichapally-Gajwel Transmission Scheme	Government Guarantee
31403079	12.00% to 13.25%	2 94 42 853	Quarterly	6	49 07 143	Financial Assistance for Estt of 220/132 kvss at shadnagar in MNBR Dist 220kv & 132kv lines	First charge by way of hypothecation in favour of the corporation of all movable assets related to the project (save and except book debts), including movable machinery, machinery spares, tools and accessories, fuel stock, spares and material at project site, present & future.
31403082	12.25%	31 58 56 630	Quarterly	18	1 75 47 591	Augmentation of Transformers capacities existing 5Nos 220/132 kv at Hyderabad & Secunderabad	-do-
31403083	11.50% to 12.25%	202 06 78 165	Quarterly	21	9 62 22 772	Financial Assistance for providing 400kv Ring Main around Twin cities of Hypothecation at Sec-bad and R.R Dist	-do-
31403086	11.50% to 12.50%	266 89 07 820	Quarterly	38	7 02 34 417	Financial Assistance for strengthening and modernization of Transmission system in Twin Cities of Hyderabad & Secunderabad	-do-
31403087	11.50 % to 12.25%	113 66 03 122	Quarterly	50	2 27 32 066	Erection of 220kv & 132kv GIS SS along with connected cable line at various places of Hyderabad Metropolitan Area with F.A from M/s. JBIC sanction of counter part funding of 376.20 crs.	-do-
31403088	11.50% to 12.25%	69 86 95 122	Quarterly	51	1 37 07 346	Erection of 132/33 kv SS at NIMS in Hyderabad along with connected 132/33 kv lines Erection of 220S with ching station at Thimmajpet in MNBR dist along with 220kv LIL/OIDC Lines Erection of 132/33 kv SS at unroor in Adilabad Dist along with connected 132/33 kv lines Erection of 132/33 kv GIS SS at narayanaguda (Shanti Theatre) Enhancement of Transformer capacities at 22NOS.EHT SS Enhancement of Transformer capacities at 77NOS.EHT SS	-do-
31403089	11.50% to 12.25%	15 28 82 952	Quarterly	50	30 61 834	Erection of 132/33 kv SS at Kamalapur in Karimnagar Dist along with connected lines Erection of 132/33 KV SS at Gudur in Warangal Dist along with connected 132/33 kv lines Erection of 132/33 kv SS at Macugula in MNBR district along with connected 132/33 kv lines Erection of 132/33 kv SS at Rampur in Medak District along with connected 132/33 kv lines Erection of 132/33 kv SS at Alwalpadi in MNBR district along with connected 132/33 kv lines	-do-



4.4.Loans from Power Finance Corporation is secured against hypothecation/mortgage on upcoming assets of various sub stations along with associated lines for which the term loan was sanctioned. Details of securities given against each loan are as tabulated below:

Loan No.	Rate of Interest	Balance Outstanding as on 31.3.2016 (Rs.)	Type (Monthly / Quarterly / Half Yearly)	No. of instalments remaining	Installment Amount (Rs.)	Project Covered	Security Against Loan
31403091*	11.50% to 12.25%	45 03 19 394	Quarterly	60	75 05 323	Erection of 2nd 132kv LILU line from existing 132kv Laxetipet-Bellampally 2nd circuit line to 220kv Mandamari (Bellampally) SS and 2Nos. 132KV bays at 220KV Mandamari (Bellampally) SS Erection of 132KV DC/SC line from 132/33 KV Dhamapuri SS to 132/33 KV bays at 132/33kv Laxetipet SS and 132 kv bays at 132/33 KV Dhamapuri SS and 132/33 KV Laxetipet SS Augmentation of Power Transformer capacity from 1x31.5+1x10/16 MVA to 1x50+1x31.5 MVA at 132KV SS Maddur in MBNR circle Erection of 132/33 KV SS at Kamanpur in Karimnagar Dist along with connected 132/33 KV Lines Erection of 220/132KV SS at Huzurnagar in Nalgonda Dist Erection of 132kv 2nd circuit stringing on existing 132kv DC/SC line from 220KV Bheengal SS to 132KV Sirikonda SS & 2Nos. 132KV bays at 220KV Bheengal SS and 132 KV Sirikonda SS 400KV Augmentation Scheme-II Augmentation of 315 MVA 400/220KV Power Transformer capacities at Hyderabad (Mandipally) & Gajwel 400/220KV/SS Transmission works involving providing of 220/132kv and 132kv & associated lines augmentation of Transformers capacities at existing 132/33 KVSS Providing Boundary metering and capacity Baries and replaced of circuit. Second Loan for counterpart funding for adaptable programme of lender (APL) stage-1 of world bank loan for supplementary Transmission Scheme Financial Assistance for providing alternate supply to 26 Nos. 132/33 kv ss stringing of Second circuit & conducting new DC/SC laying and various locations in A.P Providing Independent Breakers in place of Group Control Breakers Installation of Addtl. 100 MVA Transformers at 10 Nos.220/132kvs and replacement of Addtl. faculty 1No.220/132kvss Financial Assistance for Augmentation of Transformers capacities at existing 21 Nos.132/33 kvss	-do-
31403071	11.25% to 14.25%	17 17 50 473	Quarterly	5	3 43 50 093	132kv & associated lines augmentation of Transformers capacities at existing 132/33 KVSS Providing Boundary metering and capacity Baries and replaced of circuit.	Government Guarantee
31403073	11.35%	74 51 559	Quarterly	8	9 31 445	Second Loan for counterpart funding for adaptable programme of lender (APL) stage-1 of world bank loan for supplementary Transmission Scheme	-do-
31403074	11.25 to 14.25%	4 26 62 348	Quarterly	6	71 10 393	Financial Assistance for providing alternate supply to 26 Nos. 132/33 kv ss stringing of Second circuit & conducting new DC/SC laying and various locations in A.P	-do-
31403075	11.85%	18 83 599	Quarterly	6	3 13 933	Providing Independent Breakers in place of Group Control Breakers	First charge by way of hypothecation in favour of the corporation of all movable assets related to the project (save and except book debts), including movable machinery, machinery spares, tools and accessories fuel stock spares and material at project site, present & future.
31403078	12.50%	2 68 76 025	Quarterly	6	44 79 337	Installation of Addtl. 100 MVA Transformers at 10 Nos.220/132kvs and replacement of Addtl. faculty 1No.220/132kvss	-do-
31403081	12.50% to 13.00%	4 36 11 482	Quarterly	18	24 22 860	Financial Assistance for Augmentation of Transformers capacities at existing 21 Nos.132/33 kvss	-do-
Total		831 33 78 333					

*Loan No.31403091 Mortatitrium Period ended in the FY.2016-17 Repayment started from October 2016



4.5.Secured Loan from Rural Electrification Corporation is secured against hypothecation/mortgage on upcoming assets of various sub stations along with associated lines for which the term loan was sanctioned. Details of securities given against each loan are as tabulated below:

Loan No.	Rate of Interest	Balance Outstanding as on 31.3.2016 (Rs.)	Type (Monthly / Quarterly / Half Yearly)	No. of instalments remaining	Installment Amount (Rs.)	Project Covered	Security Against Loan
REC Ltd 13104	8 to 13%	75 68 351	Monthly	12	6 30 695	Erection of 132/33kv SS in medak	Govt.Guarantee G.O.No.02
RECLtd 13105	8 to 11.45%	81 70 177	Monthly	12	6 80 858	Erection of 132/33kv SS at motkur in Naglonda	Govt.Guarantee Go No.02
REC Ltd 13244	11.25 to 12%	90 72 86 410	Monthly	78	1 16 31 878	Establishment of 2Nos 400KV D/C line from Bhoopally(Kakatiya) to Warangal & Gajwel 400KV SS for Evacuation of Power from Kakatiya Thermal Power Project.	A) As payment security during the construction stage & during the loan repayment period.APTRANSCO shall make operational a default Escrow arrangement for payment to the satisfaction of REC. B)In case of Hypothecation :First charge /Pari-passu charge on all movable & immovable assets(both present& future) of the project shall be created in favour of REC .Wherever loan is taken against land from REC ,it is subject to equitable mortgage irrespective of the option available in REC guidelines. To make such charge meaningful, appropriate provision will be made to the satisfaction of REC, to allow the REC the right to inspect,take possession thereof & sell the same in accordance with the provisions of the securitization Act.
REC Ltd 13351	11.25 to 12.25 %	53 68 13 415	Monthly	84	63 90 637	Kothagudem TPS StateVI Establishment of 400KV D/C Line from KTPS Stage VI to Khammam 400kv SS	-do-
REC Ltd 13689	11.6 to 12 %	3 46 68 728	Monthly	108	3 20 980	Procurement & installation of 63 MVAR reactors at 400 KV SS in Hyderabad,Kumool & Vizag district	-do-
REC Ltd 14472	10.75 to 11.5%	12 25 00 000	Monthly	120	10 20 833	Erection of 132/33KVSS Burgupally /Adilabad along with connected 132/33 kv lines	-do-
REC Ltd 14479	11.5 to 11.75%	6 53 92 000	Monthly	119	5 49 933	Erection of 132/33 KV Geesukond SS Warangal along with connected lines	-do-
REC Ltd 14502	10.75 to 11.75%	11 67 58 000	Monthly	120	9 72 984	Erection of 132/33 KV Asifabad SS-Adilabad along with connected lines	-do-
REC Ltd 14855	11.5 to 11.75%	5 89 00 000	Monthly	120	4 90 833	Erection of 132KV Panajiwadi SS/Nizamabad along with connected lines	-do-
REC Ltd 14857	10.75 to 11.5%	2 34 00 000	Monthly	120	1 94 999	Erection of 132KV Boothpur SS/Mahabubnagar along with connected lines	-do-
REC Ltd 14867	10.75 to 11.75%	6 21 89 000	Monthly	120	5 18 242	Erection of 132 KV Gajwel LILo Line/Medak along with connected lines	-do-
REC Ltd 5711	12%	27 56 00 000	Monthly	120	22 96 667	Erection of 220/132KV ss Partigir/Rangareddy	-do-
REC Ltd 5713	12%	5 53 00 000	Monthly	120	4 60 833	Erection of 220KV LILo line from Budidampadu-Waddekothapally/Warangal Bhongiri 2nd circuit to 220kv SS Waddekothapally along with bays in warangal District	-do-
REC Ltd 5715	11.25 to 12%	3 47 55 000	Monthly	120	2 89 625	Shifting of 132KVSS LILo Wadapally (New)Nalgondaby erection of 132kv SS at wadapally(New) in place of existing Wadapally SS and 132 kv LILo arrangements to 132/33 KVSS Wadapally	-do-
REC Ltd 16012	12%	24 52 00 000	Monthly	120	20 43 333	Erection of 220/132/33KVSS Nagole/Hyderabad to meet the loan demand of the upcoming Hyderabad Metro Rail	-do-
REC Ltd 16018	12%	2 75 33 000	Monthly	120	2 29 442	Augmentation of PTR from 2x31.5 MVA to 1x50+31.5 MVA at 220/132/33KVSS at Nirmal in Nizamabad circle and from 2x10/16 MVA to 1x10/16+1x31.5 MVA at 132/33kv ssat Mirji Mahboobnagar circle	-do-



4.5. Secured Loan from Rural Electrification Corporation is secured against hypothecation/mortgage on upcoming assets of various sub stations along with associated lines for which the term loan was sanctioned. Details of securities given against each loan are as tabulated below:

Loan No.	Rate of Interest	Balance Outstanding as on 31.3.2016 (Rs.)	Type (Monthly/Quarterly/Half Yearly)	No. of instalments remaining	Installment Amount (Rs.)	Project Covered	Security Against Loan
REC Ltd 8267	10.4 to 11.15%	670 24 00 002	Monthly	120	5 58 53 333	Scheme for erection of 400/220/132 kv Suryapet SS 400KV D/C line Proposed suryapet to Kamavarakota & Shankarpalli SS 132kv D/C in from proposed Suryapet SS to existing Suryapet Shalgowaram & Thungathurthy SS & LULO of 400 kv & 220KV Lines as a part of power Evacuation Scheme from M/S Hurdulla National Power Corporation Ltd 1040MW power plant.	-do-
REC Ltd 4469	10.75 to 11.5%	10 54 50 000	Monthly	120	8 78 750	Erection of 132/33KVSS Keshampet /MBNR along with connected 132/33 kv lines	-do-
REC Ltd 4478	10.75 to 11.5%	5 74 82 800	Monthly	120	4 79 023	Erection of 132/33KVSS/Ghanapur/MBNR along with connected 132/33 kv lines	-do-
REC Ltd 4498	11.50%	4 14 00 000	Monthly	120	3 45 000	Erection of 132/33KVSS Nammetta/Warangal along with connected 132/33 kv lines	-do-
REC Ltd 4852	10.75 to 11.5%	3 89 00 000	Monthly	120	3 24 167	Erection of 132/33 KVSS Dullthabad/Medak along with connected lines	-do-
REC Ltd 4856	11.50%	58 00 000	Monthly	120	48 333	Providing 33KV Features Thrumalaipally/ 132 kv SSBMBNR	-do-
REC Ltd 4859	10.75 to 11.5%	7 97 52 000	Monthly	120	6 64 600	Erection of 132/33KVSS Mogligadda/MBNR along with connected 132/33 ines	-do-
REC Ltd 4668	10.75 to 11.5%	6 92 00 000	Monthly	120	5 76 667	Erection of 132/33KVSS Kosgi/MBNR along with connected 132/33 kv lines	-do-
REC Ltd 7229	10.4 to 11.15%	427 31 10 004	Monthly	120	3 56 09 250	Jaipur Transmission Scheme	-do-
REC Ltd 13210	9.5 to 14.5%	8 52 36 030	Yearly	3	2 64 12 009	Augmentation of ptr capacity under existing EHT ss	Govt. Guarantee Go No 31
REC Ltd 13211	11.5 to 14.5%	2 29 85 360	Yearly	4	57 46 340	Erection of 132/33kv SS at Jangon in Warangal dist	Govt. Guarantee Go No 31
REC Ltd 13235	11.75 to 13%	8 86 91 638	Yearly	8	1 10 86 455	Erection of 132/33 kv SS at eezanin Mabob nagar district	Govt. Guarantee Go No 31
REC Ltd 9136*	10.4 to 11.15%	126 39 90 000	Monthly	120	1 05 33 250	400kv Quad DC line from Velloor to Tungabhadra River cross(A) portion of 400KV Quad DC line from 400KV uravakonda SS to creation of charge on the Future Assets only shall be accepted 400 KV Mahabobnagar SS& Supply of Moose ACSF subject to the loan amount being restricted to 90% of the project cost. Charge on movable and immovable assets of the Tungabhadra River crossing & 2Nos. Quad 400KV Bays in case of Sqthgear borrower, first charge-par-passu on all movable & immovable 400/200KV Velloor SS (Excluding the cost of Sqthgear equipment) Supply of Switch Gear require for 2Nos. Quad 400KV Bays at 400/220KV Velloor SS	Mortgage/Hypothecation of future assets so created out of loan amount sanctioned for the project subject to the value being 1170% of the loan amount so sanctioned. The security by way of 1170% of the loan amount so sanctioned. The security by way of creation of charge on the Future Assets only shall be accepted subject to the loan amount being restricted to 90% of the project cost.
REC Ltd 9474*	10.75%	4 98 81 000	Monthly	120	4 15 675	Scheme for providing 220/33KV features at existing Salvaqu 220/11KV Lift irrigation SS in warangal district with 2Nos 220/33 kv 31.5 MVA power transformer.	-do-
REC Ltd 9475*	10.75%	7 15 19 000	Monthly	120	5 95 992	Scheme for erection of 2nd circuit stringing on existing 220KV DC/SC line from 220KV DC/SC line from 220KV Ramagundam SS to 220KV mandameri SS.	-do-
REC Ltd 9486*	10.75%	8 78 00 000	Monthly	120	7 31 667	Erection of 132/33 KV SS at Ganeshpally, Duddeda & watalpally.	-do-
REC Ltd 9492*	10.75%	25 74 82 000	Monthly	120	21 45 683	Erection of 2x100MVA, 220/132KV PTR with allied features including breakers at 132/33 KV Kosgi SS along with associated 220KV and 132KV transmission lines.	-do-



4.5.Secured Loan from Rural Electrification Corporation is secured against hypothecation/mortgage on upcoming assets of various sub stations along with associated lines for which the term loan was sanctioned. Details of securities given against each loan are as tabulated below:

Loan No.	Rate of Interest	Balance Outstanding as on 31.3.2016 (Rs.)	Type (Monthly / Quarterly / Half Yearly)	No. of instalments remaining	Installment Amount (Rs.)	Project Covered	Security Against Loan
REC Ltd 9497*	10.75%	75 01 67 000	Monthly	120	62 51 392	Schemes for Augmentation of power Transformer capacities at 19nos.220/132KV SS & 56Nos. Of 132/33 Kv SS in metro & Rural Zone of TSTRANSOCO.	-do-
REC Ltd 9496*	10.75%	80 13 68 000	Monthly	120	66 78 067	Schemes for Augmentation of power Transformer capacities at 11nos.220/132KV SS & 54Nos. Of 132/33 Kv SS in warangal Zone of TSTRANSOCO.	-do-
REC Ltd 9480*	10.75%	52 00 000	Monthly	120	43 333	Erection of 220/132 kv SS at MD pally (kattedan)	-do-
REC Ltd 9482*	10.75%	5 40 00 000	Monthly	120	4 50 000	Erection of 132/33 KV SS at Kachapur & Nimmapalli.	-do-
REC Ltd 9483*	10.75%	27 00 00 000	Monthly	120	22 50 000	Erection of 220/132 KV ss at siricilla.	-do-
REC Ltd 9485*	10.75%	2 70 00 000	Monthly	120	2 25 000	Erection of 220/132 KV ss at Ayyagaripally.	-do-
REC Ltd 9852*	10.75%	120 98 79 000	Monthly	120	1 00 82 325	Erection of 400/220kv Nirmal substation upgradation of 132/33 kv Renzal & Adilabad SS to 220/132 KV & associated 400kv & 220KV lines under Transmission System improvement in TS.	-do-
Total		1900 07 27 915					

*The following loans are under moratorium period



TRANSMISSION CORPORATION OF TELANGANA LIMITED

4.6. Maturity Profile of Secured Term Loans from Banks and Financial Institutions

I) Loan from Banks/NABARD:

(Amount in Rupees)

Name of the Bank	1-3 Years	3-5 Years	5 Years & Above	Total
NABARD	19 02 54 372	12 68 36 248	45 71 25 118	77 42 15 738
Federal Bank	1 97 51 596			1 97 51 596
Syndicate Bank - TL1	1 66 03 752	1 10 69 168	41 50 938	3 18 23 858
Syndicate Bank - TL2	2 61 85 176	1 74 56 784	1 96 50 934	6 32 92 894
Karur Vysya Bank - TL1	9 73 65 024			9 73 65 024
Karur Vysya Bank - TL2	5 65 35 912	3 76 90 608	1 10 26 490	10 52 53 010
Bank of Baroda - TL1	6 59 64 504			6 59 64 504
Bank of Baroda - TL2	35 47 93 896	11 74 41 305		47 22 35 201
Bank of Baroda - TL3	18 44 51 616	8 19 78 496		26 64 30 112
Oriental Bank of Commerce	16 13 21 004	10 75 47 336	13 05 09 395	39 93 77 735
Punjab & Sind Bank - TL1	6 01 16 630			6 01 16 630
Punjab & Sind Bank - TL3	11 78 40 348	19 32 869		11 97 73 217
Allahabad Bank	5 88 07 152	2 12 35 935		8 00 43 087
ICICI Bank	6 63 28 020	3 64 25 983		10 27 54 003
Karnataka Bank Limited	8 68 54 068	96 50 468		9 65 04 536
Corporation Bank	3 32 36 028	36 92 891		3 69 28 919
Union Bank of India	2 87 33 292	95 77 793		3 83 11 085
UCO Bank	25 02 34 668	16 68 23 112	10 42 68 700	52 13 26 480
South Indian Bank	7 85 56 212	5 23 70 808	6 84 82 295	19 94 09 315
Tamilnadu Mercantile Bank - TL1	1 15 60 680	77 07 120	1 41 29 720	3 33 97 520
Tamilnadu Mercantile Bank - TL2	1 58 19 732	1 05 46 488	1 93 35 270	4 57 01 490
Dena Bank	8 61 51 456	5 74 34 304	14 06 76 268	28 42 62 028
Total	206 74 65 138	87 74 17 716	96 93 55 128	391 42 37 982



TRANSMISSION CORPORATION OF TELANGANA LIMITED

II) Loan from Power Finance Corporation Limited

(Amount in Rupees)

Loan No.	1-3 Years	3-5 Years	5 Years & Above	Total
31403063	54 57 56 789			54 57 56 789
31403079	2 94 42 853			2 94 42 853
31403082	21 05 71 092	10 52 85 538		31 58 56 630
31403083	115 46 73 264	76 97 82 176	9 62 22 725	202 06 78 165
31403086	84 28 13 004	56 18 75 336	126 42 19 480	266 89 07 820
31403087	27 27 84 792	18 18 56 528	68 19 61 802	113 66 03 122
31403088	16 06 80 217	10 96 58 768	42 83 56 137	69 86 95 122
31403089	3 67 42 008	2 44 94 672	9 16 46 272	15 28 82 952
31403091	7 50 53 230	6 00 42 584	31 52 23 580	45 03 19 394
31403071	17 17 50 473			17 17 50 473
31403073	74 51 559			74 51 559
31403074	4 26 62 348			4 26 62 348
31403075	18 83 599			18 83 599
31403078	2 68 76 025			2 68 76 025
31403081	2 90 74 320	1 45 37 162		4 36 11 482
Total	360 82 15 573	182 75 32 764	287 76 29 996	831 33 78 333



TRANSMISSION CORPORATION OF TELANGANA LIMITED

III) Loan from Rural Electrification Corporation Limited

(Amount in Rupees)

Loan No.	1-3 Years	3-5 Years	5 Years & Above	Total
REC Ltd 13104	75 68 351			75 68 351
RECLtd 13105	81 70 177			81 70 177
REC Ltd 13244	41 87 47 587	27 91 65 072	20 93 73 751	90 72 86 410
REC Ltd 13351	23 00 62 928	15 33 75 288	15 33 75 199	53 68 13 415
REC Ltd 13689	1 15 53 099	77 03 520	1 54 12 109	3 46 68 728
REC Ltd 14472	91 87 500	2 45 00 000	8 88 12 500	12 25 00 000
REC Ltd 14479	1 75 57 856	1 31 98 392	3 46 35 752	6 53 92 000
REC Ltd 14502	3 11 35 488	2 33 51 616	6 22 70 896	11 67 58 000
REC Ltd 14855	1 47 24 990	1 17 79 992	3 23 95 018	5 89 00 000
REC Ltd 14857	62 39 968	46 79 976	1 24 80 056	2 34 00 000
REC Ltd 14867	1 65 83 744	1 24 37 808	3 31 67 448	6 21 89 000
REC Ltd 5711	3 90 43 333	5 51 20 000	18 14 36 667	27 56 00 000
REC Ltd 5713	41 47 500	1 10 60 000	4 00 92 500	5 53 00 000
REC Ltd 5715	26 06 625	69 51 000	2 51 97 375	3 47 55 000
REC Ltd 16012	4 90 39 992	4 90 39 992	14 71 20 016	24 52 00 000
REC Ltd 16018	55 06 608	55 06 608	1 65 19 784	2 75 33 000
REC Ltd 8267	111 70 66 667	134 04 80 000	424 48 53 335	670 24 00 002
REC Ltd 4469	79 08 750	2 10 90 000	7 64 51 250	10 54 50 000
REC Ltd 4478	43 11 210	1 14 96 560	4 16 75 030	5 74 82 800
REC Ltd 4498	31 05 000	82 80 000	3 00 15 000	4 14 00 000
REC Ltd 4852	29 17 500	77 80 000	2 82 02 500	3 89 00 000
REC Ltd 4856	4 35 000	11 60 000	42 05 000	58 00 000
REC Ltd 4859	59 81 400	1 59 50 400	5 78 20 200	7 97 52 000
REC Ltd 4868	51 90 000	1 38 40 000	5 01 70 000	6 92 00 000
REC Ltd 7229	81 90 12 751	85 46 22 001	259 94 75 252	427 31 10 004
REC Ltd 13210	8 52 36 030			8 52 36 030
REC Ltd 13211	1 72 39 020	57 46 340		2 29 85 360
REC Ltd 13235	3 32 59 363	2 21 72 910	3 32 59 365	8 86 91 638
REC Ltd 9136	12 63 99 000	25 27 98 000	88 47 93 000	126 39 90 000
REC Ltd 9474	4 15 675	99 76 200	3 94 89 125	4 98 81 000
REC Ltd 9475	5 95 992	1 43 03 800	5 66 19 208	7 15 19 000
REC Ltd 9486	7 31 667	1 75 60 000	6 95 08 333	8 78 00 000
REC Ltd 9492	21 45 683	5 14 96 400	20 38 39 917	25 74 82 000
REC Ltd 9497	62 51 392	15 00 33 400	59 38 82 208	75 01 67 000
REC Ltd 9496	66 78 067	16 02 73 600	63 44 16 333	80 13 68 000
REC Ltd 9480		10 40 000	41 60 000	52 00 000
REC Ltd 9482		1 08 00 000	4 32 00 000	5 40 00 000
REC Ltd 9483		5 40 00 000	21 60 00 000	27 00 00 000
REC Ltd 9485		54 00 000	2 16 00 000	2 70 00 000
REC ltd 9852		23 18 93 475	97 79 85 525	120 98 79 000
Total	311 67 55 912	392 00 62 350	1196 39 09 653	1900 07 27 915

4.7. At the Date of Balance Sheet, some of assets of APTRANSCO continue to be under charge to the Banks/Financial Institutions against the above term loans pending completion of documentation for release/modification of such charges.



TRANSMISSION CORPORATION OF TELANGANA LIMITED

Note: 5 - DEFERRED TAX LIABILITIES (NET)

(Amount in Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Deferred tax liabilities		
Opening Balance	183 19 50 498	163 73 61 000
Add: On account of depreciation	44 62 03 529	19 45 89 498
Deferred tax assets		
Opening Balance	116 34 53 730	115 01 00 000
Add: On account of employee benefits & Others	2 11 20 776	1 33 53 730
Deferred Tax Liabilities (Net)	109 35 79 521	66 84 96 768

Note: 6 - OTHER LONG TERM LIABILITIES

(Amount in Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Security Deposits from Suppliers	7 84 70 003	6 24 53 625
Earnest Money Deposits from Suppliers	3 56 70 959	2 31 34 943
Retention Money from Suppliers	257 32 74 855	300 73 61 289
Deposit Contribution Works	987 03 36 107	963 62 73 921
Interest payable on State Government LIS Funds	509 37 05 171	389 38 50 198
Security Deposit - Operating Charges	19 34 58 616	13 88 74 538
Liability towards pass through gains on variations as per Tariff Order	655 35 00 000	194 96 00 000
GIS - Insurance and Savings Fund	1 71 13 313	1 47 94 196
Contribution towards Self Funding Medical Scheme	62 31 507	34 72 917
Total	2442 17 60 531	1872 98 15 627

Note: 7 - LONG TERM PROVISIONS

(Amount in Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for Employee Benefits:		
- Pension & Gratuity	434 29 85 999	434 29 85 999
- Gratuity	4 35 95 577	4 35 95 577
- Earned Leave Encashment	65 27 85 011	65 27 85 011
Total	503 93 66 587	503 93 66 587

Note: 8 - TRADE PAYABLES

(Amount in Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Dues to Micro and Small Enterprises (Note-8.1)	-	-
Dues to Others		
-Towards O&M Works	52 93 36 712	12 30 67 842
Total	52 93 36 712	12 30 67 842

8.1.The Company is making efforts to identify the Micro, Small and Medium Enterprises as defined under "The Micro, Small and Medium Enterprises Development Act, 2006". However, based on the information available with the Company, the amount due to Micro, Small and Medium Enterprises for the period of more than 45 days and interest thereon for delay in payments is Nil.



TRANSMISSION CORPORATION OF TELANGANA LIMITED

Note: 9 - OTHER CURRENT LIABILITIES

(Amount in Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Liability towards Capital Works	294 11 43 662	80 87 06 131
Employee related liabilities	32 68 88 624	39 08 54 778
Liability for expenses	8 02 98 007	29 72 66 921
Accrued interest liability on borrowings from Banks/FIs	44 52 31 297	22 98 42 692
Other liabilities and provisions	43 10 45 199	48 58 37 867
Transient DISCOM Pool Account	4 50 63 835	2 38 09 897
Advance from Customers	22 27 586	
Excess amount received from Customers	3 03 99 399	2 99 59 058
Payable to APTRANSCO (Net)	-	44 11 78 307
Repayment due on State Government Loans	24 32 10 781	8 49 15 716
Interest Accrued and Due on State Government Loans	35 98 29 907	12 09 62 879
Current maturities of long term borrowings - Banks	66 65 73 714	63 73 39 273
Current maturities of long term borrowings - Financial Institutions	174 00 98 500	162 95 75 821
Current maturities of long term borrowings - State Government Loans	48 64 21 067	48 64 21 067
Total	779 84 31 578	566 66 70 406

Note: 10 - SHORT TERM PROVISIONS

(Amount in Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for Employee Benefits:		
-Pension & Gratuity	-	14 52 27 668
-Earned Leave Encashment (Note-10.1)	15 46 40 374	9 19 98 160
Total	15 46 40 374	23 72 25 828

10.1. Since, all the employees are entitled for 30 days of earned leave per year, provision equivalent to one month salary has been provided towards Earned Leave Encashment. Pending final allocation of employees, the Company has not taken up the actuarial valuation for the year.



TRANSMISSION CORPORATION OF TELANGANA LIMITED
Note : 11 - FIXED ASSETS

Sl. No.		ASSET GROUP	GROSS BLOCK				PROVISION FOR DEPRECIATION				NET BLOCK		
			As at 31.03.2015	Additions	Deductions	Reclassification	As at 31.03.2016	As at 31.03.2015	Depreciation for the Year (*)	Deductions	Reclassification	As at 31.03.2016	As at 31.03.2015
(i)		TANGIBLE ASSETS:											
		Land and Land Rights	17 87 76 836	37 31 79 788			55 19 56 624	-				55 19 56 624	17 87 76 836
		Buildings	94 77 29 963	74 49 324			95 51 79 287	25 25 89 838	2 75 14 069		28 01 03 907	67 50 75 380	69 51 40 125
		Other Civil Works	8 87 16 308	4 11 74 962			12 98 91 270	68 96 447	27 52 408		96 48 855	12 02 42 415	8 18 19 861
		Plant and Machinery	2726 60 16 235	660 51 95 629			3387 12 11 864	1478 79 93 158	149 08 52 517		1627 88 45 675	1759 23 66 189	1247 80 23 077
		Lines and Cable Network	2696 47 58 525	1240 65 86 951			3937 13 45 476	866 74 13 588	136 18 44 344		1002 92 57 932	2934 20 87 544	1829 73 44 937
		Vehicles	2 01 92 054	37 76 165	1 60 000		2 38 08 219	1 35 51 183	15 34 526		1 50 85 709	87 22 510	66 40 871
		Furniture and Fixtures	1 72 44 543	8 43 978			1 80 88 521	1 20 32 258	10 18 375		1 30 50 633	50 37 888	52 12 285
		Office Equipment	22 93 82 552	3 71 56 621			26 65 39 173	15 16 21 071	1 53 98 808		16 70 19 879	9 95 19 294	7 77 61 481
		Sub-Total:	5571 28 17 016	1947 53 63 418	1 60 000		7518 80 20 434	2389 20 97 543	290 09 15 047		2679 30 12 590	4839 50 07 844	3182 07 19 473
(ii)		INTANGIBLE ASSETS:											
		Computer Software	2 30 18 980	-	-	-	2 30 18 980	1 35 01 577	18 07 640		1 53 09 217	77 09 763	95 17 403
		Sub-Total:	2 30 18 980	-	-	-	2 30 18 980	1 35 01 577	18 07 640		1 53 09 217	77 09 763	95 17 403
		Grand Total (i+ii)	5573 58 35 996	1947 53 63 418	1 60 000		7521 10 39 414	2390 55 99 120	290 27 22 687		2680 83 21 807	4840 27 17 607	3183 02 36 876
		Previous Year	4883 38 87 367	690 19 48 629	-	-	5573 58 35 996	2176 41 41 285	214 14 57 835		2390 55 99 120	3183 02 36 876	2706 97 46 082
(iii)		CAPITAL WORK IN PROGRESS										2025 14 88 541	2246 22 91 627
(*) includes Rs.1,13,81,545/- pertaining to earlier years (before 2nd June, 2014) on account of delay in capitalisation of fixed assets which is adjusted against Re-organisation Resultant Reserve (Note-3 (iv) and Rs.3,71,23,598 pertaining to previous year and shown as prior period items (Note-23).													

(*) includes Rs.1,13,81,545/- pertaining to earlier years (before 2nd June, 2014) on account of delay in capitalisation of fixed assets which is adjusted against Re-organisation Resultant Reserve (Note-3 (iv)) and Rs.3,71,23,598 pertaining to previous year and shown as prior period items (Note-23).

11.1. The lands apportioned to the Company as per revised merger plan which are acquired with effect from 01.04.2000 from the State Government/individuals were on payment of cash through Revenue Department and got registered in the name of the Company. The registered documents are available with the territorial administrative offices i.e. Circle Offices concerned. The substations which were erected in the consumers'/clients' premises are in the possession of the company are vested through Transfer Scheme upto 31st January 1999 and for the subsequent acquisitions of land which are in possession, the execution of documents in the name of company are in process. The value of land in gift subsequent to 01.04.2000 are in process of ascertainment and to be taken into books.

11.2. In respect of fixed assets apportioned to the Company pursuant to A.P. Reorganisation Act, 2014 with effect from 2nd June, 2014, the carrying amounts of such assets in books of APTRANSCO as at the end of office hours on 1st June, 2014 have been adopted as cost of additions. In respect of assets subsequently acquired by the Company, the cost of acquisition, installation and other expenses to make the assets ready for their intended use have been adopted as the cost of additions/acquisition.

11.3. Registration of transfer of title in immovable and movable properties apportioned to the Company is pending as on the Balance sheet date

11.4. There are no assets, which attract impairment during the year in terms of AS-28



TRANSMISSION CORPORATION OF TELANGANA LIMITED

Note: 12 - NON CURRENT INVESTMENTS

(Amount in Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Investments against Funds		
Contingency Reserve Investment (Note - 3.1)	34 83 02 448	34 83 02 448
Investments other than fund investments		
- 10% APCPDCL Power Bonds - Series 3/2014	178 25 00 000	178 25 00 000
- 10% APNPDCL Power Bonds - Series 3/2014	61 42 00 000	52 88 49 146
- 9.95% APCPDCL Power Bonds - Series 1/2014	83 36 00 000	92 10 00 000
- 9.95% APNPDCL Power Bonds - Series 1/2014	-	15 68 00 000
Investment in Equity of GVK Power & Infrastructure Ltd., (Note-12.1)	3 51 77 920	3 51 77 920
Investment in Equity of Andhra Pradesh Gas Power Corporation Limited (Note-12.1)	11 71 30 841	11 71 30 841
Total	373 09 11 209	388 97 60 355

12.1. The Company has recognised the investments in Equity of GVK Power and Infrastructure Ltd., and Investment in Share Capital of APGPCL based on its claim that the said shares should be apportioned on population ratio @41.68%, as per the A.P.Re-Organisation Act, since these are head quarters assets.

Note: 13 - LONG TERM LOANS AND ADVANCES

(Amount in Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Secured, Considered and Good		
- Loans and Advances to Staff (Note - 13.1)	15 47 20 316	14 43 75 580
Unsecured, Considered and Good		
- Loans and Advances to Staff (Note - 13.1)	5 73 04 294	5 81 51 860
- Advances to Suppliers - Capital Stores	27 43 34 426	22 81 96 520
- Deposits with Revenue Dept. - Land Acquisition	1 04 33 741	7 14 33 741
- Inter Corporate Deposits - DISCOMs	986 47 98 182	995 01 49 036
Total	1036 15 90 959	1045 23 06 737

13.1. The Company facilitates loans and advances to employees like House Building Advance, Motor Cycle Advance, Computer Advance etc., The interest on these loans are collected from the employees after recovery of the principal amount.

Note: 14 - INVENTORIES

(Amount in Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Stores and Spares	202 12 38 020	236 48 07 967
Materials stock excess/shortage pending investigation (Net)	(5 47 873)	(5 04 996)
Provision for recovery - cost of materials	(12 37 00 585)	(12 09 15 178)
Total	189 69 89 562	224 33 87 793



TRANSMISSION CORPORATION OF TELANGANA LIMITED

Note: 15 - TRADE RECEIVABLES

(Amount in Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Outstanding for a period exceeding six months		
- Secured, Considered good	64 41 599	6 45 20 810
- Unsecured, Considered good	116 06 70 535	141 12 80 073
- Unsecured, Considered doubtful	-	-
Others		
- Secured, Considered good	9 51 30 245	2 68 99 035
- Unsecured, Considered good	395 03 69 998	108 59 48 230
- Unsecured, Considered doubtful	-	-
Total	521 26 12 377	258 86 48 148

Note:16 - CASH AND CASH EQUIVALENTS

(Amount in Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Cash in Hand	-	898
Balances with Banks		
In Current Accounts	34 37 69 655	43 14 77 700
Remittances in Transit (Note-16.1)	11 29 118	2 41 21 018
Short Term Fixed Deposits with Banks (Maturity less than 3 months)	10 47 01 536	2 33 98 468
Total	44 96 00 309	47 89 98 084

16.1. The amount of Rs.11,29,118 allocated to the Company consequent to demerger of APTRANSCO. The details are not furnished and is pending review.

Note: 17 - SHORT TERM LOANS AND ADVANCES

(Amount in Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Unsecured, Considered Good		
Imprest with Staff	5 54 250	-
Loans and Advances to Staff	19 03 096	10 26 982
Advances for O&M Supplies/Works	28 92 910	38 77 088
Contribution to Pension & Gratuity	4 76 02 537	-
Advance Income Tax/Tax Deduction at Source (net of Provision for Income Tax)	68 49 66 168	26 29 02 418
Minimum Alternate Tax (Credit Entitlement)	32 50 77 345	9 04 02 955
CENVAT Input Credit	-	47 28 722
Prepaid Expenses	4 05 599	3 57 179
Total	106 34 01 905	36 32 95 344

Note: 18 - OTHER CURRENT ASSETS

(Amount in Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Sundry Debtors - Others	-	2 49 13 541
Interest Income Accrued and due	8 58 03 078	8 97 76 148
Interest Income Accrued but not due	1 46 78 252	1 10 75 283
Amount recoverable from Employees/Ex-employees	1 37 88 103	1 25 87 426
Other Claims and Receivables	1 58 56 173	1 59 54 041
Other Receivables from APTRANSCO/DISCOMs	28 87 09 875	13 12 31 726
Amount Receivable from State Government (Note - 18.1)	71 43 33 330	26 82 604
Amount Receivable from Others	49 581	49 431
Deposits with Others	2 65 06 926	7 41 59 326
Total	115 97 25 318	36 24 29 526

18.1. Amount receivable from State Government includes an amount of Rs.71,01,24,848 towards discharge of bonds liability on behalf of the Government of Telangana. This amount is received in April, 2016.


TRANSMISSION CORPORATION OF TELANGANA LIMITED
Notes to the Financial Statements:
Note: 19 - REVENUE FROM OPERATIONS

(Amount in Rupees)

Particulars	Year Ended 31st March, 2016	Period Ended 31st March, 2015
Sale of Services:		
-Transmission charges	1345 95 12 233	815 35 94 726
- Less: Pass through gains on variations as per Tariff Order	(447 72 00 000)	(186 88 00 000)
-State Load Despatch Center Charges	43 05 22 792	34 85 54 921
- Less: Pass through gains on variations as per Tariff Order	(12 67 00 000)	(8 08 00 000)
Other Operating Income:		
-Supervision Charges	22 53 84 069	8 40 53 163
-Income towards Contributions/Grants towards Cost of Capital Assets (Deferred Amount) (Note-19.3)	16 55 95 816	13 16 90 036
-SLDC Processing Fee	1 35 37 240	1 20 96 011
Total	969 06 52 150	678 03 88 857

19.1. The Transmission and State Load Despatch Center Charges are collected as per the tariff notified by the APERC for the 3rd Multi Year Tariff (MYT) Control Period - FY 2014-15 to FY 2018-19 for the power sharing capacity of TSDISCOMS out of the total approved capacity for FY 2015-16 and other open access customers.

19.2. During the year, the Company has recognized an amount of Rs.460,39,00,000 (Rs.447,72,00,000 and Rs.12,67,00,000) (Previous Year : Rs.194,96,00,000 (Rs.186,88,00,000 and Rs.8,08,00,000)) towards Pass-through gains on variations in Transmission and SLDC charges attributable to the Financial Year 2015-16 by way of reduction in Transmission and SLDC Charges based on the Tariff Order for FY 2017-18 and FY 2018-19 issued by the Hon'ble Telangana State Electricity Regulatory Commission.

19.3.. During the Year an amount of Rs.16,55,95,816 (Previous Year : 13,16,90,036 has been credited to Other operating income towards capital contribution in proportion to depreciation in respect of GoTS's Lift Irrigation Scheme Assets.

Note: 20 - OTHER INCOME

(Amount in Rupees)

Particulars	Year Ended 31st March, 2016	Period Ended 31st March, 2015
Interest on Staff Loans and Advances	24 46 120	10 20 322
Interest Income from Investments	13 44 70 373	6 13 07 204
Delayed payment charges from Consumers	12 29 380	9 30 859
Interest on Contingency Reserve Investments (Note 3.1)	3 53 17 605	3 31 64 001
Fines and Penalties Recovered	18 15 33 651	9 76 82 243
Income from Sale of Scrap	2 48 64 629	82 589
Miscellaneous Receipts	2 39 20 018	5 77 59 176
Total	40 37 81 776	25 19 46 394


Note: 21 - EMPLOYEE BENEFITS EXPENSE

(Amount in Rupees)

Particulars	Year Ended 31st March, 2016	Period Ended 31st March, 2015
Salaries & Wages	240 62 87 487	195 80 85 960
Contribution towards Pension & Gratuity Fund (Note-21.1)	39 65 31 846	33 07 01 439
Contribution towards Gratuity Fund (Note-21.1)	2 98 90 153	2 42 75 495
Less: Employees Cost Capitalised (Note-21.3)	(69 37 35 220)	(59 09 77 618)
Total	213 89 74 266	172 20 85 276

21.1. Consequent to the bifurcation of State of Andhra Pradesh, the employees working in the Telangana Region are working in the Company on geographical basis whereas the employees working in Head Quarters were allocated between two entities on provisional basis. Pending final allocation of employees, the Company has not taken up the actuarial valuation for FY 2015-16. However, the contribution towards Pension & Gratuity in respect of the employees appointed prior to 01.02.1999 was provided @ 33.15% and Contribution towards Gratuity in respect of the employees appointed after 01.02.1999 was provided @ 6.08%.

21.2. Since, all the employees are entitled for 30 days of earned leave per year, provision equivalent to one month salary has been provided towards Earned Leave Encashment. Pending final allocation of employees, the Company has not taken up the actuarial valuation for the year.

21.3. In respect of TLC/400kv Units, Expenses Capitalized includes @1.50% of Capital Work in Progress (CWIP) towards Head Quarters Charges

Note: 22 - FINANCE COSTS

(Amount in Rupees)

Particulars	Year Ended 31st March, 2016	Period Ended 31st March, 2015
Interest expense		
- on Term Loans from Banks	36 00 25 449	32 71 58 333
- on Term Loans from Financial Institutions & Others	315 84 57 718	210 83 34 831
Other borrowing costs	17 08 147	13 02 740
Less: Interest and finance charges capitalised	(117 05 18 000)	(91 39 94 000)
Total	234 96 73 314	152 28 01 904



Note: 23 - OPERATION & OTHER EXPENSES

(Amount in Rupees)

Particulars	Year Ended 31st March, 2016	Period Ended 31st March, 2015
Repairs and maintenance to		
Plant and Machinery	31 60 09 565	15 12 82 461
Transformers	2 71 28 034	29 68 233
Substation Maintenance by Private Agencies	66 16 31 726	46 56 32 454
Buildings	1 32 06 806	1 00 22 319
Civil Works	1 62 05 491	50 46 854
Lines, Cable Network etc.,	8 08 86 465	7 25 22 452
Vehicles	25 86 683	21 10 154
Furniture and Fixtures	9 000	1 800
Office Equipment	72 22 467	25 73 602
Administration & General Expenses:		
Rent, Rates & Taxes	2 16 71 393	2 01 19 887
TS ERC License Fees	1 93 74 075	1 44 25 000
Insurance on Fixed Assets	6 10 394	7 88 098
Postage and Telephone Charges	91 86 105	77 78 069
Audit Fees	8 12 250	8 29 104
Professional, Consultancy & Legal Charges	33 70 479	20 90 319
Honorarium	12 34 191	15 33 419
Commission	8 24 943	1 18 433
Remuneration to Internal Auditors	15 92 357	5 78 925
Travelling & Conveyance Expenses	2 29 11 201	1 65 08 587
Vehicle Running Expenses (Cars, Jeeps etc.,)	1 00 10 925	88 99 096
Vehicle Hire Charges	7 23 42 462	6 50 36 890
Employee/Staff Recruitment Charges	50 37 569	-
Training and Participation Fee	20 211	2 44 734
Fees & Subscription	46 44 500	17 58 035
Books & Periodicals	1 64 247	6 82 576
Printing & Stationery	40 50 989	27 13 094
Advertisement Expenses	1 28 12 161	25 02 260
Electricity Charges	85 90 707	62 92 413
Water Charges	20 49 515	18 00 373
Entertainment Expenses	14 28 929	5 41 329
Miscellaneous Expenses	2 34 55 359	3 53 58 455
Outsourced Staff Wages	6 80 96 280	5 14 11 598
Vehicle Running Expenses (Heavy Vehicles)	10 28 434	10 01 827
Incidental Stores Expenses	12 40 819	4 24 038
Prior Period Items:		
Prior Period Expenses		
- Operating Expenses	9 15 695	-
- Depreciation (Note-11)	3 71 23 598	-
- Interest & Finance Charges	46 76 396	-
- Other Expenses	(2 06 11 181)	-
Prior Period Income		
- Interest income	(3 18 75 313)	-
Others :		
Loss on Sale of Scrap	1 44 65 904	11 81 372
Material Cost Variance (Note-23.1)	27 85 407	8 88 30 178
Miscellaneous losses and write off	-	2 06 64 400
Less: Other expenses capitalised	(7 01 18 031)	(6 07 73 949)
Total	135 88 09 207	100 54 98 889

23.1.The Company has reviewed the provision for value of scrap/unserviceable/obsolete materials and made provision of Rs.27,85,407 (Previous Year : Rs.8,88,30,178).



TRANSMISSION CORPORATION OF TELANGANA LIMITED

24. Assets & Liabilities apportioned under Andhra Pradesh Reorganisation Act, 2014:

- (i) On 1st March, 2014, the Andhra Pradesh Reorganization Act, 2014 received the assent of President of India for formation of Telangana State. The new state came into existence with effect from 2nd June, 2014. As per the Andhra Pradesh Reorganization Act, 2014, the Companies and Corporations specified in the Ninth Schedule constituted for the existing State of Andhra Pradesh shall, on and from the appointed day, continue to function in those areas in respect of which they were functioning immediately before that day.

The assets, rights and liabilities of the companies and corporations referred to in sub-section (1) shall be apportioned between the successor States in the manner provided in Section 53.

- (ii) As per Section 53 of the Andhra Pradesh Reorganisation Act, 2014
- (a) The assets and liabilities relating to any commercial or industrial undertaking of the existing State of Andhra Pradesh, where such undertaking or part thereof is exclusively located in, or its operations are confined to, a local area, shall pass to the State in which that area is included on the appointed day, irrespective of the location of its headquarters:
- Provided that where the operation of such undertaking becomes inter- state by virtue of the provisions of Part II, the assets and liabilities of –
- (b) the operational units of the undertaking shall be apportioned between the two successor States on location basis; and
- (c) the headquarters of such undertaking shall be apportioned between the two successor States on the basis of population ratio.
- (iii) Upon apportionment of the assets and liabilities, such assets and liabilities shall be transferred in physical form on mutual agreement or by making payment or adjustment through any other mode as may be agreed to by the successor States.
- (iv) Section 65 of Andhra Pradesh Reorganisation Act, 2014 empowers the successor States of Andhra Pradesh and Telangana to mutually agree upon the apportionment of assets and liabilities between themselves in a manner other than that provided in the Act. No such final agreement has been arrived at in so far as may be applicable to the affairs of APTRANSCO and the Company.
- (v) Consequent to bifurcation of State of Andhra Pradesh, the Government of Andhra Pradesh has issued orders vide G.O.Ms.No.26 (Energy), Dt.29.05.2014 for creation of separate TRANSCO. Accordingly, a separate entity has been incorporated and got registered with Registrar of Companies with the name of Transmission Corporation of Telangana Limited (the Company).
- (vi) With regard to apportionment of assets and liabilities of Transmission Corporation of Andhra Pradesh Limited (hereinafter referred to as APTRANSCO) to the Company as on 02.06.2014, APTRANSCO has submitted its draft demerger plan to the Expert Committee vide Lr.No.CMD/



Dir (Fin. & Rev.) / FA&CCA (A/cs)/SAO (BS)/D.No.200/15, Dt.28.05.2015 with a copy to the Company.

- (vii) In this regard, the Company has sought certain additional information viz., a copy of audited accounts to the end of 1st June, 2014 along with Auditor's Report, Unit wise/Head Account wise break up details for the assets and liabilities and basis for allocation of assets and liabilities of Head Quarter Units, Funding Agency wise loan draws/balances outstanding etc., duly communicating certain observations on the proposed demerger plan vide Lr.No.FA&CCA(A/cs)/Dy.CCA/SAO(B&BS)/ D.No.116/ 2015, Dt.04.07.15 with a copy to the Expert Committee.
- (viii) Based on the observations made by the Company/discussions held with Expert Committee, APTRANSCO has revised its draft demerger plan and communicated to the Expert Committee vide Lr.No.FA&CCA (Accounts)/ SAO(B,BS&C) /D.No.541/2016, Dt.16.12.2016 with a copy to the Company.
- (ix) Further, the Company has communicated its views with regard to party wise details for certain assets and liabilities allocated to the Company from the Head Quarter Units of APTRANSCO vide Lr.No.FA&CCA (A/cs)/SAO(B&BS)/D.No.12/2017, Dt.07.02.2017.
- (x) Based on the views of the Company/discussions thereon held between two entities, APTRANSCO has agreed to retain certain balances and communicated vide Lr.No.FA&CCA(Accounts)/SAO(B,B/S & Costing)/ D.No.145/2017, Dt.23.03.2017.
- (xi) With respect to certain assets and liabilities, despite discussions held consensus could not be arrived between the Companies, for which the Company has adopted the balances assessed by it after obtaining due approval from its Board and communicated the same to the Secretary, Expert Committee vide Lr.No.FA&CCA(A/cs)/SAO(B&BS)/D.No.51/2017, Dt.12.04.2017 with a copy to the CMD/APTRANSCO.
- (xii) In response to the above, APTRANSCO has agreed the views of the Company with respect to few items of assets and liabilities and with respect to other items APTRANSCO has communicated its views to the Secretary, Expert Committee vide Lr.No.FA&CCA (Accounts)/ SAO(B,B/S & Costing)/D.No.256/2017, Dt.09.06.2017 with a copy to the Company.
- (xiii) The views of the Company and APTRANSCO were discussed/reviewed by the Expert Committee during the meetings held on 02.08.2017 & 22.08.2017 and communicated the minutes of the meetings vide Letter No.3685/INF(SRC)/2014, Dt.26.08.2017.
- (xiv) During the meeting held on 28.10.2017, the Expert Committee has stated that APTRANSCO may place the minutes of the Expert Committee before the Board and sent their revised proposal to the Expert Committee and to the Company.
- (xv) Accordingly, APTRANSCO has proposed the revised demerger plan based on the views of the Company, Expert Committee and communicated vide Lr.No.FA&CCA (Accounts)/SAO (B,BS&C)/D.No.427/2017, Dt.09.11.2017. Based on the said demerger plan, the Company has incorporated certain entries during the year as per the consensus arrived between the entities/views of the Expert Committee acceptable to the Company.



(xvi) The following is the position of Assets and Liabilities apportioned to Telangana State Government pursuant to Andhra Pradesh Reorganisation Act, 2014 as per Revised Draft Demerger Plan proposed by APTRANSCO and that of the same assessed/adopted by the Company as on 2nd June, 2014 in anticipation of and pending formal vesting by the Government of Telangana:

(Rs. in lakhs)

Particulars	As per APTRANSCO Revised draft Demerger Plan	As per the Company	Adjustments made by the Company during FY 2015-16	As per the Company as at 31.03.2016
FIXED ASSETS :				
Gross Block of Assets	488338.87	488338.87		488338.87
Less: Accumulated Depreciation	217645.77	217641.41		217641.41
Net Fixed Assets	270693.10	270697.46		270697.46
Capital work-in progress	164692.12	164692.12		164692.12
Deferred Cost	15699.78	15699.78		15699.78
Intangible Assets	260.03	260.03		260.03
Investments	34263.00	38897.60	(2442.00)	36455.60
Total Current Assets	140305.78	153216.37	(3086.73)	150129.64
Less: Current Liabilities	167163.45	167389.35		167389.35
Net Current Assets	(26857.67)	(14172.98)	(3086.73)	(17259.71)
Demerger Adjustment Account	(9657.32)	-		-
NET ASSETS:	449093.04	476074.01	(5528.73)	470545.28
Borrowings for working capital	-	-		-
Payments due on Capital Liabilities	-	-		-
Capital Liabilities	171520.60	171520.60		171520.60
Funds from State Government				
- Loans	69591.63	69591.63		69591.63
- Equity	32477.79	-		-
Contributions, Grants and Subsidies towards cost of Capital Assets	67119.37	67119.37		67119.37
Reserve and Reserve Funds	17517.19	17517.19		17517.19
Surplus/(Deficit)	35600.18	-		-
Deferred Tax Liability (Net)	4872.61	4872.61		4872.61
Liability for Pension & Gratuity, Gratuity and Leave Encashment Trusts	50393.67	50393.67		50393.67
Reorganisation Resultant Reserve	-	95058.94	(5528.73)	89530.21
TOTAL FUNDS:	449093.04	476074.01	(5528.73)	470545.28

The revised demerger plan has to be agreed by the respective Board of Directors of the Company and APTRANSCO and approved by the Government of Andhra Pradesh and Telangana and notified thereafter. Any variation to the Company assessed assets and liabilities will be considered in the books of account of the Company in the year in which the said plan is approved and notified.



(xvii) Material variations of certain assets and liabilities apportioned as per revised draft demerger plan and as assessed by the Company.

- a) Investment in GVK Power & Infrastructure Limited and Andhra Pradesh Gas Power Corporation Limited is considered as geographical location wise asset to Andhra Pradesh by APTRANSCO. Whereas, the Company opined that since it is Headquarter's asset and is to be apportioned on population basis. The Expert Committee opined that the apportionment of these investments may be made as per proposed APIDC Demerger Plan. However, the Company stands with its view of allocation of these investments on population ratio basis. This has an impact of increase in investment of Rs.15.23 crores (Note-12).
- b) In respect of Bonds issued by DISCOMs against LIS funds, APTRANSCO has apportioned based on region of respective DISCOM (i.e., bonds issued by TS DISCOMs to the Company). Whereas, the Company opined that the same has to be apportioned based on the balance of LIS funds of respective State Government. Upon reaching consensus with APTRANSCO, the Company has now agreed with the proposal of APTRANSCO for adjusting the balance amount of Rs.8.54 crores against Inter Corporate Deposits with DISCOMs.
- c) In respect of Bonds issued by DISCOMs against receivables of Transmission and SLDC charges, APTRANSCO has apportioned on Transmission Capacity basis. Whereas, the Company has opined that, the same has to be allocated in power sharing ratio. Based on the views of the Expert Committee, the Company has now agreed for allocation of said bonds on the basis of population ratio. Accordingly, necessary entries for Rs.24.42 crores are made by adjusting against Reorganisation Resultant Reserve.
- d) In respect of receivables of Transmission and SLDC charges from DISCOMs, APTRANSCO has apportioned on Transmission capacity basis. Whereas, the Company has opined that, it is to be apportioned on power sharing ratio. Based on the views of the Expert Committee, the Company has now agreed for allocation of said bonds on the basis of population ratio. Accordingly, necessary entries for Rs.30.88 crores are made by adjusting against Reorganisation Resultant Reserve.
- e) Inter Corporate Deposits in DISCOMs is apportioned on the basis of balance of LIS funds (including interest) by APTRANSCO. Whereas, the Company opined that it has to be apportioned on the basis of balance of LIS funds only. The proposal of the Company has been agreed by APTRANSCO for allocation ICDs with DISCOMs on the balance LIS Funds only. There is no impact on the accounts.
- f) In respect of differences between assets and liabilities apportioned to the Company, APTRANSCO has shown as demerger adjustment account (receivable from the Company). Whereas, the Company has taken the difference between the assets and liabilities (including equity) to "Reorganization Resultant Reserve". The Expert Committee stated that this issue can be sorted out keeping in view generally accepted accounting principles for balancing of the accounts in a balance sheet. The Company has decided to continue the difference between the assets and liabilities (including equity) under "Reorganization Resultant Reserve" only.



- g) **Vidyut Soudha Building** : As per the Expert Committee, the book value of the Headquarters building of APTRANSCO as it appears in the audited Balance Sheet as on 2/6/2014 has to be apportioned between the two organizations on the basis of the population ratio as per the AP Reorganization Act. The physical division of this asset is also to be done on the basis of the population ratio. However, the Company is of the view that the book value of Vidyut Soudha building has to be apportioned on population basis as mandated in Section 53 (1) (b) of the A.P.Reorganisation Act, 2014.
- h) **Corporate Training Institute building** : As per the Expert Committee this facility must be done on the basis of the clarification issued by Government of India, Home Ministry recently on the definition of "Headquarters" in terms of the AP Reorganization Act. However, the Company is of the view that the Corporate Training Institute building at Hyderabad is an independent unit and is to be allocated to the Company on location basis.

25. The Company has undertaken Deposit Contribution Works relating to construction of sub-stations and extension of power supply/connectivity to the Lift Irrigation Schemes of the State Government. The details of LIS deposits received from State Government and the utilization thereof are as follows :

(Rs. in crores)

Sl. No	Particulars	Balance as at 01.04.2015	FY 2015-16	Balance as at 31.03.2016
1.	Deposits received from State Govt.	1443.94	9.60	1453.54
2.	Interest payable to State Govt. on LIS deposits	389.39	119.99	509.38
3.	Total (1+2)	1833.33	129.59	1962.92
4.	Value of Lift Irrigation Assets put to use transferred to "Consumer Contribution towards cost of Capital Assets"	238.81	13.32	252.13
5.	Development Charges transferred to "Consumers Contribution towards cost of Capital Assets"	136.07	2.94	139.01
6.	Supervision Charges transferred to P&L A/c	68.69	2.97	71.66
7.	Amount paid to DISCOMs	19.08		19.08
8.	Total expenditure (4 to 7)	462.65	19.23	481.88
9.	Balance Deposits at the end of the year (3-8)	1370.68	110.36	1481.04
10.	Less: Capital Works in progress	28.41	77.29	105.70
11.	Balance Deposits at the end of the year (9-10)	1342.27	33.07	1375.34

26. The balances shown under advances, trade receivables, trade payables and creditors for capital supplies and others are subject to confirmation/reconciliation and consequential adjustments, if any.
27. The Govt. of A.P. had taken decision to waive off the Agriculture dues outstanding as on 31.03.2014 and to compensate the DISCOMs for the said waiver of dues from agriculture consumers, orders were issued vide G.O.Ms.No.30, Dated 09.03.2006 directing APTRANSCO to mobilize funds to the extent of Rs.975 crores (Rs.200 crores during FY 2005-06, Rs.300 crores during FY 2006-07, Rs.125 crores during FY 2007-08 and Rs.350 crores during FY 2008-09. The repayment of principal and interest is guaranteed by Govt. of A.P. with budgetary



support. Accordingly, APTRANSCO had mobilized the funds amounting to Rs.975 crores on behalf of Govt. of A.P. and the proceeds were paid to DISCOMs. The Govt. of A.P. is releasing the required funds to APTRANSCO as per due dates to service these bonds from time to time. As against, the bonds outstanding liability of Rs.955.50 crores, the liability apportioned to the state of Telangana is Rs.605.50 crores and the balance outstanding as on Balance Sheet date is Rs.511.18 crores (Previous Year: Rs.558.34 crores). As these Bonds were floated by APTRANSCO on behalf of Govt. of A.P the total outstanding liability and bonds interest expense thereon was not shown in the financial statements of the Company.

28. Contingent Liabilities:

- a) As per the revised draft demerger plan, the following are the disputes pending with various statutory authorities against APTRANSCO to be considered for bifurcation between APTRANSCO and the Company as on 1st June, 2014 :

S.No.	Particulars	Amount (Rs. in Crores)
i)	Sales Tax/VAT/CST/Entry Tax	154.04
ii)	ESI Court Case (Deposited Rs.0.20 Crores)	0.80
iii)	Service Tax	3.95
iv)	Income Tax (Deposited 15% of 145.67 Crores)	145.67
v)	Municipal Tax	5.84
vi)	Other Legal Cases (Deposited 3.47 Crores)	Not Quantified

Regarding future refunds and liabilities/commitments if any, arises, in respect of the period prior to the bifurcation i.e., upto 01.06.2014 and not provided in the accounts (to end of 01.06.2014), such refunds and liabilities/commitments (if it relates to any particular territorial property/lines and substations) shall be the liabilities/commitments of the successor TRANSCO of the respective state in whose territories the property/lines and sub-stations is situated. In case of the refunds and liabilities/commitments specified above do not relate to a particular property/lines and sub stations/territory wise/common, and then the same shall be shared between the two State TRANSCOs in the Population Ratio.

- b) A demand notice for Rs.19.81 lakhs is received at SE/TL&SS/Nalgonda towards property tax for the period from 1998-99 to 2014-15, the company has not accounted for the said demand due to occupational issues with TS SPDCL.

29. Capital Commitments : The value of contracts placed but not executed and not provided, as on 31st March, 2016 are Rs.3172.26 crores (Previous Year : Rs.3543.04 crores).


30. Audit Fees (Note- 23 : Operation & Other Expenses)

(Amount in Rupees)

Sl. No.	Particulars	FY 2015-16	2014-15 (29.05.2014 to 31.03.2015)
1	Statutory Audit:		
	Audit Fee	4,50,000	4,50,000
	Out of Pocket expenses	50,000	50,000
2	Tax Audit	1,12,500	1,12,500
3	Cost Audit	1,00,000	1,00,000
4	Certification Fee	-	15,000
5	Service Tax	99,750	1,01,604
	Total:	8,12,250	8,29,104

31. During the year, no theft of materials (Previous Year : Rs.62,549) is reported. However, no provision was made in the accounts, since the matter is under investigation.

32. Earnings per Share (AS 20):

Particulars	Unit	2015-16	2014-15 (29.05.2014 to 31.03.2015)
Profit for the year after tax	Rs.	90,45,19,599	45,91,45,872
Total No. of Shares	Nos.	50,000	50,000
Nominal value per share	Rs.	10.00	10.00
Earnings per share	Rs.	18,090.39	9,182.92

33. Related Parties as per AS-18 :

a) Key Managerial Personnel:

1) Sri. D.Prabhakar Rao	Chairman & Managing Director
2) Sri. C.Srinivasa Rao, IRAS	Joint Managing Director
3) Sri. T.Jagath Reddy	Director (Transmission)
4) Sri. G.Narsing Rao	Director (HR & Grid Operation)
5) Sri.J.Surya Prakash	Director (Projects & Lift Irrigation)

b) Non-whole time Directors:

- 1) Sri.Arvind Kumar, IAS
- 2) Sri.K.Ramakrishna Rao, IAS

c) Remuneration to the key managerial personnel for the year is Rs.74,15,699 (Previous Year : Rs.19,43,818)



34. CIF value of imports (payments made) :

(Amount in Rupees)

Particulars	FY 2015-16	FY 2014-15 (29.05.2014 to 31.03.2015)
- Raw Materials	-	-
- Capital Materials	9,90,59,893	32,36,11,924
- Stores, Spares and Components	-	-

35. Expenditure in Foreign Currency :

- a) Foreign Travel : Rs. Nil (PY : Rs. Nil)
b) Consultancy and Professional Charges : Rs. Nil (PY : Rs. Nil)

36. Earnings in Foreign Currency : Rs. Nil (PY : Rs. Nil)

37. The Company operates mainly in one segment i.e, Transmission of Power. Hence, Segment Reporting as per AS-17 issued by the ICAI is not applicable.

38. Consequent to demerger of APTRANSCO, certain unidentified balances were apportioned to the Company, out of which the balances amounting to Rs.4,16,57,309 (net credit) are under review and necessary adjustments if any, will be made in the books of accounts in subsequent years.

39. The financial statements which have been prepared under the Electricity (Supply) (Annual Accounts) Rules, 1985 during the previous year 2014-15 are recast to conform the presentation as Schedule-III of the Companies Act, 2013.

40. The current year figures are for the Financial Year from 1st April, 2015 to 31st March, 2016 against previous period figures which are from 29th May, 2014 to 31st March, 2015 and hence these are not comparable.

As per our Report of even date
For M.Anandam & Co.,
Chartered Accountants

For and on behalf of the Board of
Transmission Corporation of Telangana Limited

Sd/-

S.VENKATESWARLU
Partner
M.No.022790

Sd/-

D.PRABHAKAR RAO
Chairman & Managing Director

Sd/-

C.SRINIVASA RAO
Joint Managing Director
(Finance, Commercial & HRD)

Sd/-

Place : Hyderabad
Date : 15.12.2017

G.SRINIVAS
FA&CCA(A/cs) & CFO

Sd/-

A.S.VIJAY KUMAR
Company Secretary



TRANSMISSION CORPORATION OF TELANGANA LIMITED
CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

(Amount in Rupees)

Sl. No.	Particulars	Year Ended 31st March, 2016	Period Ended 31st March, 2015
I)	Cash flows from operating activities		
	Net profit before Tax and extraordinary items	139 27 59 595	69 58 27 637
	Adjustments for :		
	Depreciation and Amortization expense	289 13 41 142	208 61 21 545
	Interest & Finance Charges	352 01 91 314	243 67 95 904
	Provision for obsolete materials	27 85 407	8 88 30 178
	Unidentified Stores balances written off /written back	(2 06 11 181)	2 06 11 181
	Intangible Assets charged off	-	2 60 02 920
	Interest received on Investments	(16 97 87 978)	(9 44 71 205)
	Operational profit before working capital changes	761 66 78 299	525 97 18 160
	Adjustments for changes in Working Capital:		
	(Increase)/Decrease in Inventories	34 36 12 824	62 23 36 435
	(Increase)/Decrease in Trade Receivables	(293 26 37 198)	(111 28 47 264)
	(Increase)/Decrease in Short Term Loans and advances	(39 94 66 498)	(19 69 37 622)
	(Increase)/Decrease in Long Term Loans and advances	82 98 534	71 42 516
	(Increase)/Decrease in Other Current Assets	(87 62 56 877)	2 67 74 894
	Increase/(Decrease) in Trade Payables	40 17 44 275	(16 57 831)
	Increase/(Decrease) Other Current Liabilities	189 26 28 508	35 41 85 757
	Increase/(Decrease) in Short Term Provisions	(8 25 85 454)	16 41 12 565
	Increase/(Decrease) Other Long Term Liabilities	576 89 03 315	452 90 50 775
	Cashflows from Working Capital Changes	412 42 41 429	439 21 60 225
	Cash from operating activities	1174 09 19 728	965 18 78 385
	Less: Taxes Paid	(36 36 47 000)	(20 90 00 000)
	Net Cash from operating activities	1137 72 72 728	944 28 78 385
II)	Cash flows from investing activities		
	Acquisition of fixed assets	(1947 52 03 418)	(690 19 48 629)
	Increase/Decrease in Capital works in progress	221 08 03 086	(622 12 76 378)
	Interest received on Investments	16 97 87 978	9 44 71 205
	Net Cash from investing activities	(1709 46 12 354)	(1302 87 53 802)
III)	Cash flows from financing activities		
	Issue of Equity Shares	-	5 00 000
	Proceeds/(Repayments) from borrowings	826 47 79 875	597 11 07 208
	Contributions towards cost of capital assets	48 90 97 657	17 16 90 835
	Interest & Finance Charges paid	(306 59 35 681)	(231 58 33 024)
	Net Cash from financing activities	568 79 41 851	382 74 65 019
IV)	Net increase/(decrease) in cashflows (I+II+III)	(2 93 97 775)	24 15 89 602
V)	Cash and cash equivalents at the beginning of the year	47 89 98 084	-
VI)	Cash and cash equivalents taken over from APTRANSCO	-	23 74 08 482
VII)	Cash and cash equivalents at the end of the year	44 96 00 309	47 89 98 084

As per our report of even date
for M.Anandam & Co.,
Chartered Accountants

Sd/-
S.VENKATESWARLU
Partner
M.No.022790

for and on behalf of the Board of
Transmission Corporation of Telangana Limited

Sd/-
D.PRABHAKAR RAO
Chairman & Managing Director

Sd/-
C.SRINIVASA RAO
Joint Managing Director
(Finance, Comm., & HRD)

Sd/-
G.SRINIVAS
FA&CCA (A/cs) & CFO

Sd/-
A.S.VIJAY KUMAR
Company Secretary

Place: HYDERABAD
Date : 15.12.2017



TRANSMISSION CORPORATION OF TELANGANA LIMITED

FUNCTION WISE ANALYSIS OF REVENUE AND EXPENDITURE

(Rs. in lakhs)

Schedule	Note	Total TLC Units	Total TL&SS Units	Total Head Office/ Common	Total Transmission	Total SLDC	Grand Total
	<u>INCOME:</u>						
1	Revenue from Transmssion & SLDC Charges			89823.12	89823.12	3038.23	92861.35
4	Revenue Subsidies and Grants				-	-	-
5	Other Income	1979.79	302.94	5669.68	7952.41	130.58	8082.99
	TOTAL INCOME	1979.79	302.94	95492.80	97775.53	3168.81	100944.34
	<u>EXPENDITURE:</u>						
8	Repairs & Maintenance	10.82	10870.19	212.55	11093.56	155.31	11248.87
9	Employees Cost	5067.10	13916.28	6397.07	25380.45	2946.64	28327.09
10	Administration and General Expenses	690.36	1032.40	1048.42	2771.18	194.42	2965.60
11	Depreciation and Related Debits (Net)	21093.28	680.19	6735.84	28509.31	32.87	28542.18
12	Interest and Finance Charges		0.26	35174.69	35174.95	26.95	35201.90
	Sub-Total :	26861.56	26499.32	49568.57	102929.45	3356.19	106285.64
	Less: Expenses Capitalised						
13	Interest and Finance Charges Capitalised	-	-	11705.18	11705.18	-	11705.18
14	Other Expenses Capitalised	7638.53	-		7638.53	-	7638.53
	Sub-Total :	7638.53	-	11705.18	19343.71	-	19343.71
15	Other Debits	-	144.66	27.85	172.51	-	172.51
16	Extra-ordinary items	-	-		0.00	-	0.00
18	Net Prior Period Credits/(Charges)	(371.23)	(9.16)	478.09	97.70	-	97.70
	TOTAL EXPENDITURE	19594.26	26653.14	37413.15	83660.55	3356.19	87016.74
	PROFIT/(LOSS) BEFORE TAX	(17614.47)	(26350.20)	58079.65	14114.98	(187.38)	13927.60



(Rs.in lakhs)

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TRANSMISSION CORPORATION OF TELANGANA LIMITED

STATEMENT OF TECHNICAL PARTICULARS

Sl. No.	Particulars	Unit	FY 2015-16	FY 2014-15 (June, 2014 to March, 2015)
1	Input from State Generators including wheeling	MU	16637.25	17795.60
2	CGS (Ex-Bus)	MU	32503.50	22261.16
3	System input at 132kv & above including Wheeled Energy (1+2)	MU	49140.75	40056.76
4	Energy Delivered by TRANSCO to DISCOMs including Wheeled Energy	MU	46634.49	37986.95
5	Transmission Losses (including wheeling) (3-4) inclusive of PGCIL Losses	MU	2506.26	2069.81
6	% of Transmission Losses (including wheeling) on respective inputs (5/3*100) inclusive of PGCIL Losses	%	5.10	5.17
6a	% of Transmission Losses (including wheeling) on respective inputs {(5-11)/(3-11)*100} exclusive of PGCIL Losses	%	3.12	3.14
7	Net Wheeled Energy at 132kv & Above by Third Party Consumers	MU	18.67	60.34
8	Energy Delivered by TRANSCO to DISCOMs excluding Wheeled Energy at 132kv & above (4-7)	MU	46615.82	37926.61
9	Drawals at 33kv & 11kv from third party developers	MU	507.75	316.80
10	Drawals at 33kv & 11kv from GENCO	MU	20.07	22.57
11	External Losses (PGCIL Losses)	MU	1003.94	836.82
12	Input to DISCOMs (incl Wheeling Energy) (8+9+10)	MU	47143.64	38265.98
13	DISCOMs Sales of Energy (Excl. Wheeling)	MU	40649.68	33084.25
14	Net Wheeled Energy at 33kv & below by Third Party Consumers	MU	83.89	55.72
15	DISCOMs Sales of Energy (incl.. Wheeling) (13+14)	MU	40733.57	33139.97
16	Distribution Losses (incl. wheeling) (12-15)	MU	6410.07	5126.01
17	% of Distribution Losses (incl. Wheeling) on respective inputs {(16/12)*100}	%	13.60	13.40
18	T&D input (Ex-Bus Availability) (3+9+10)	MU	49668.57	40396.13
19	T&D Sales (incl. Wheeling) by DISCOMs (15+7)	MU	40752.24	33200.31
20	T&D Losses (incl. Wheeling) (18-19)	MU	8916.33	7195.82
21	% of T&D Losses (incl. wheeling) (20/18*100)	%	17.95	17.81



